

FINAL BUDGET OF
KHÂI-MA
MUNICIPALITY

NC067



2019/20 TO 2021/22
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Table of Contents

ANNEXURE	
PART 1 – ANNUAL BUDGET	1
1.1	MAYOR’S REPORT	1-3
1.2	COUNCIL RESOLUTIONS	4
1.3	EXECUTIVE SUMMARY	5
1.4	OPERATING REVENUE FRAMEWORK.....	6
1.5	OPERATING EXPENDITURE FRAMEWORK	13
1.6	CAPITAL EXPENDITURE.....	17
1.7	ANNUAL BUDGET TABLES - PARENT MUNICIPALITY	19
PART 2 – SUPPORTING DOCUMENTATION	34
2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	34
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	35
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	40
2.4	OVERVIEW OF BUDGET RELATED-POLICIES	45
2.5	OVERVIEW OF BUDGET ASSUMPTIONS.....	46
2.6	OVERVIEW OF BUDGET FUNDING.....	48
2.7	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	64
2.8	COUNCILLOR AND EMPLOYEE BENEFITS	66
2.9	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	69
2.10	ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS.....	76
2.11	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	78
2.12	CAPITAL EXPENDITURE DETAILS.....	78
2.13	LEGISLATION COMPLIANCE STATUS	85
2.14	OTHER SUPPORTING DOCUMENTS	86
2.15	MUNICIPAL MANAGER’S QUALITY CERTIFICATE	92

List of Tables

Table 1	Consolidated Overview of the 2019/20 MTREF.....	6
Table 2	Summary of revenue classified by main revenue source	7
Table 3	Percentage growth in revenue by main revenue source.....	7
Table 4	Operating Transfers and Grant Receipts	8
Table 5	Comparison of proposed rates to levied for the 2019/20 financial year	9
Table 6	Proposed Water Tariffs.....	10
Table 7	Comparison between current water charges and increases (Domestic)	10
Table 8	Comparison between current electricity charges and increases (Domestic)	10
Table 9	Comparison between current sanitation charges and increases	11
Table 10	Comparison between current sanitation charges and increases, single dwelling- houses	11
Table 11	Comparison between current waste removal fees and increases	12

Table 12 MBRR Table SA14 – Household bills	13
Table 13 Summary of operating expenditure by standard classification item	14
Table 14 Operational repairs and maintenance.....	15
Table 15 Repairs and maintenance per asset class	15
Table 16 2019/20 Medium-term capital budget per vote	17
Table 17 MBRR Table A1 - Budget Summary.....	19
Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	21
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	22
Table 20 Surplus/(Deficit) calculations for the trading services.....	23
Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	24
Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	26
Table 23 MBRR Table A6 - Budgeted Financial Position.....	27
Table 24 MBRR Table A7 - Budgeted Cash Flow Statement.....	29
Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	30
Table 26 MBRR Table A9 - Asset Management	32
Table 27 MBRR Table A10 - Basic Service Delivery Measurement.....	33
Table 28 IDP Strategic Objectives.....	36
Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue.....	37
Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	38
Table 31 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure	39
Table 32 MBRR Table SA7 - Measurable performance objectives	39
Table 33 MBRR Table SA8 - Performance indicators and benchmarks	43
Table 34 Credit rating outlook.....	46
Table 35 Breakdown of the operating revenue over the medium-term.....	48
Table 36 Proposed tariff increases over the medium-term	53
Table 37 MBRR SA15 – Detail Investment Information	54
Table 38 MBRR SA16 – Investment particulars by maturity	55
Table 39 Sources of capital revenue over the MTREF.....	55
Table 40 MBRR Table SA 17 - Detail of borrowings.....	56
Table 41 MBRR Table SA 18 - Capital transfers and grant receipts.....	57
Table 42 MBRR Table A7 - Budget cash flow statement	58
Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.....	59
Table 44 MBRR SA10 – Funding compliance measurement	60
Table 45 MBRR SA19 - Expenditure on transfers and grant programmes	63
Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	64
Table 47 MBRR SA22 - Summary of councillor and staff benefits.....	65

Table 48 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers).....	66
Table 49 MBRR SA24 – Summary of personnel numbers	67
Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure	68
Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)	68
Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)	69
Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	70
Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification).....	76
Table 55 MBRR SA30 - Budgeted monthly cash flow	71
Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure.....	75
Table 57 Water Services Department – Performance objectives and indicators	76
Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class	80
Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class	81
Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class	81
Table 61 MBRR SA35 - Future financial implications of the capital budget	82
Table 62 MBRR SA36 - Detailed capital budget per municipal vote	82
Table 63 MBRR SA37 - Projects delayed from previous financial year	83
Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance	85
Table 65 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	86
Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position	87
Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions	88
Table 68 MBRR SA32 – List of external mechanisms.....	89

List of Figures

Abbreviations and Acronyms

LED	Local Economic Development	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Final Budget 2019/20

1.1 Mayor's Report

Final Budget 2019/2020

The operating and capital budget of the Council has been compiled in order to comply with the Local Government: Municipal Finance Management Act, no. 56 of 2003

The municipality has completed its IDP review process for the 2019/20. The IDP is a five-year living document which correctly focuses mainly on addressing the needs of our communities. The central role played by our communities, Ward Committees, Ward Councillors, business formations, private sector and the NGOs is vital in giving life to the municipalities IDP.

The budget and IDP is linked for the financial year as only funded projects from the IDP has been included in the budget.

The positions of the Head of Technical Services and Corporate Services were re-advertised by the municipality. The Municipal Manager reported that the shortlisting with the respect to these positions will be done during May 2019.

A major concern for the municipality is the inflow of people in the Khâi-Ma area due to the economic sectors evolving in the area. The municipality has limited supply of electricity and water.

The Municipal Standard Chart of Accounts (*mSCOA*) Regulations apply to all municipalities and municipal entities with effect from 1 July 2017 which means that the compilation of the 2019/20 Medium-Term Budget and Expenditure Framework (MTREF) must be compliant with the *mSCOA* classification framework.

Financial Sustainability

Currently the municipality is not financially sustainable, at least not in the medium to long term. The reality is that Khâi-MA Municipality is situated in a social economic disadvantaged environment with limited financial resources. We are a poor municipality and to function as a municipality council has to find ways to be sustainable.

Ducharme was appointed by COGTA to assist in the financial turnaround of the municipality.

Overnight results cannot be expected and in fact this is considered as a medium to long term strategy. Outstanding debtors are increasing and the municipality is not able to maintain positive cash flows to pay creditors within the thirty days timeframe as legally prescribed. Every effort should however be made to improve our revenue collection.

Further contribution to the financial sustainability of the municipality is the lack of internal controls and massive water losses are the issues that need immediate remedial action.

The increase in electricity tariffs is control by NERSA. The increase granted to ESCOM by NERSA amounting to 15.63%. This increase 15.63% increase make it impossible to generate funds to make a surplus on electricity.

The municipality will implement a new valuation roll from 1 July 2019 and the overall values increased by an average of 56.02%.

According to provincial treasury report is the municipality's budget unfunded for the 2019/20 financial year.

Proposed Tariff

In ensuring that we continue providing sustainable services, the proposed tariff increase that will be in line with the prescribed norm of National Treasury (CPI):

- **9%** increase on assessment rates;
- **8%** Increase on electricity;
- **5.2%** increase on water for both residential and business;
- **7.2%** increase on sanitation for both residential and business;
- **7.2%** increase on refuse removal both residential and business;

SOCIAL SUPPORT PACKAGE

The equitable share is a unconditional grant and is designed to fund the provision of free basic services to disadvantaged communities. The equitable share allocated to the municipality for the 2019/20 financial year amounting to R18,9 million. Special Support for Councillor Remuneration are included in the R18,9 million and amounting to R1.6 million. The cost to provide the free basic services amounting to R21.2 million.

In view of the proposed tariffs, the municipality will provide the following social package relief:

- The first R25,000 on property value is exempted from assessment rates
- All indigent households will still enjoy 6 Kilolitres of water, 50 Kilowatts of free basic electricity, sanitation and refuse service for free.

EXPENDITURE FRAMEWORK

The municipalities expenditure for the 2019/2020 financial year amounting to R75.2 million . The main contributors to the R75.2 million are:

Employee related costs	R32 274 083	42.31	%
Remuneration of councillors	R 3 110 262	4.08	%
Debt impairment	R 5 372 557	7.04	%
Depreciation & asset impairment	R 3 473 652	4.55	%
Finance charges	R 2 126 219	2.79	%
Bulk purchases	R14 275 000	18.72	%
Other materials	R 3 829 100	5.02	%
Contracted services	R 3 573 750	4.69	%
Other expenditure	R 8 236 704	10.80	%
Total Expenditure	R76 271 327	100.00	%

Our current spending pattern is a point of concern due to the cashflow situation of the municipality.

CAPITAL INVESTMENT (Conditional grants)

The purpose of conditional grants is to deliver on national government and provincial service delivery priorities.

Fin. Year	Project	INEP	MIG
2019/20	Electricity connections	720,000	
2019/20	Pella Water Network		7 773,000
	Total capital allocation	720,000	7 773,000
	Budget	720,000	7 773,000

Khâi-MA Municipality will be investing **R28,5 million** over the Medium Term Revenue and Expenditure Framework period.

ALLOCATIONS	2019/20	2020/21	2021/22
MIG	7 773 000	7,940,000	8,181,000
INEP	720,000	1 920 000	2,026,000
TOTAL	8 493 000	9 860 000	10 207 000

The Council remain strongly committed to the principles of accountability, transparency, anti-corruption, proper financial management and effective internal control systems.

P.A. van Heerden
Mayor of Khâi-MA Municipality
30/05/2019

1.2 Council Resolutions (30/05/2019)

1. The Mayor recommends that the Council resolves that:

The consolidated Annual Budget of the Khâi-MA Municipality for the financial year 2019/20 and the indicative allocations for the projected outer years 2020/21 and 2021/22; and the multi-year and single year capital appropriations be tabled for the purpose of complying with Chapter 4 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 read in conjunction with Municipal Budget and Reporting Regulations 32141 (dated 17 April 2009) and government gazette Notice No. 37577 on 22 April 2014 as set-out in the following tables:

1.1. The Annual Draft Budget of the municipality for the financial year 2019/20 to 2021/22 and the multi-year and single-year capital appropriations as set out in the following tables:

- 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 24;
- 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 26;
- 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 28; and
- 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 30.

1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- 1.2.1. Budgeted Financial Position as contained in Table 23 on page 32;
- 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 34;
- 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 34;
- 1.2.4. Asset management as contained in Table 26 on page 36; and
- 1.2.5. Basic service delivery measurement as contained in Table 27 on page 38.

The Council of Khâi-MA Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tabled the following **proposed tariffs** with effect from 1 July 2019:

- the tariffs for property rates – as set out in Annexure A,
- the tariffs for electricity – as set out in Annexure B
- the tariffs for the supply of water – as set out in Annexure C
- the tariffs for sanitation services – as set out in Annexure E
- the tariffs for solid waste services – as set out in Annexure F

2. The Council of Khâi-MA Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tabled the budget with effect from 1 July 2019 and the proposed tariffs for other services, as set out in Annexures G1 to G21 respectively.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipalities financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 94 were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 to 2021/22 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Sedibeng and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Collections in Eskom electricity supply area (impaired ability to collect due to not having electricity cut-off as tool);
- Under-recovery on water (mainly indigents)

The following budget principles and guidelines directly informed the compilation of the budget for 2019/20 MTREF:

- The 2018/19 Adjustments Budget priorities and targets, as well as the base line allocations contained in that the final budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Refreshments and entertainment

- Subsistence and Travelling
- Overtime

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20 MTREF

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Revenue (excluding capital transfers and contributions)		40 467	46 340	50 786	47 606	48 161	48 161	48 161	55 200	57 875	61 501
Total Expenditure		54 529	57 899	67 560	69 085	70 292	70 292	70 292	76 271	79 954	84 464
Surplus/(Deficit)		(14 063)	(11 559)	(16 774)	(21 479)	(22 131)	(22 131)	(22 131)	(21 071)	(22 079)	(22 962)
Transfers and subsidies - capital (monetary allocations) (National /		6 004	6 586	17 556	27 356	34 883	34 883	34 883	10 079	8 824	9 140
Surplus/(Deficit) after capital transfers & contributions		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)

Total operating revenue for the 2019/20 amounting to R55,2 ml. For the two outer years, operational revenue will increase by R2,6 ml during 2020/21 and R3.6 ml during 2021/22 respectively when compared to the 2018/19 financial year.

1.4 Operating Revenue Framework

For the Khâi-MA to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy must be reviewed in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and

- Tariff policies of the municipality.

The following table is a summary of the 2019/20 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 145
Service charges - electricity revenue	2	7 139	7 250	7 532	9 016	8 540	8 540	8 540	9 329	9 833	10 364
Service charges - water revenue	2	7 103	6 831	6 403	6 584	6 317	6 317	6 317	6 432	6 779	7 145
Service charges - sanitation revenue	2	1 122	1 053	1 291	1 043	1 309	1 309	1 309	1 377	1 452	1 530
Service charges - refuse revenue	2	864	953	1 094	1 091	1 191	1 191	1 191	1 242	1 310	1 380
Rental of facilities and equipment		145	182	214	187	187	187	187	195	205	217
Interest earned - external investments		313	388	660	200	200	200	200	200	211	222
Interest earned - outstanding debtors		1 594	2 258	2 885	1 996	3 676	3 676	3 676	3 881	4 090	4 311
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		24	31	55	42	77	77	77	82	86	91
Licences and permits		35	41	34	72	82	82	82	85	90	95
Agency services		193	236	243	179	179	179	179	—	—	—
Transfers and subsidies		18 046	20 059	20 083	22 104	21 104	21 104	21 104	24 110	25 106	26 963
Other revenue	2	684	2 980	5 239	27	30	30	30	31	33	34
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		40 467	46 340	50 786	47 606	48 161	48 161	48 161	55 200	57 875	61 501

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 48,21% of the total revenue mix. This growth can be mainly attributed to the increased share that the assessment rates contributes to the total revenue mix. The revenue foregone arising from discounts and rebates associated with the tariff policy of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers totals R 24,1 million in the 2019/20 financial year and increase to R 25,1 million by 2020/21 and R26,9 million by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts:

NC067 Khai-Ma - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		21 239	20 062	18 291	20 396	20 396	20 396	23 402	24 268	26 125
Local Government Equitable Share		17 571	15 552	16 391	17 420	17 420	17 420	18 953	20 365	21 927
Local Government Financial Management Grant [Schedule 5B]		1 740	1 825	1 900	1 970	1 970	1 970	2 435	2 867	3 131
Municipal Infrastructure Grant [Schedule 5B]		-	1 895	-	1 006	1 006	1 006	1 014	1 036	1 067
Municipal Infrastructure Grant [Schedule 5B] (Sport)		-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		971	-	-	-	-	-	-	-	-
Science and Technology		27	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	1 000	-	-
Municipal Systems Improvement Grant [Schedule 5B]		930	790	-	-	-	-	-	-	-
Provincial Government:		1 035	2 180	1 715	1 708	1 708	1 708	708	838	838
Libraries, Archives and Museums - Library Service		1 035	1 180	813	708	708	708	708	838	838
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	1 000	903	1 000	1 000	1 000	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
Other grant providers:		68	80	76	-	-	-	-	-	-
Vedanta Black Mountain		68	-	-	-	-	-	-	-	-
Construction, Education and Training SETA		-	80	76	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		22 342	22 322	20 083	22 104	22 104	22 104	24 110	25 106	26 963
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		7 606	13 535	17 556	13 356	13 883	13 883	10 079	8 824	9 140
Local Government Financial Management Grant [Schedule 5B]		60	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		6 744	13 535	12 587	6 706	6 706	6 706	6 759	6 904	7 114
Municipal Infrastructure Grant [Schedule 5B] (Sport)		-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	3 986	5 000	5 527	5 527	1 400	-	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		529	-	983	1 650	1 650	1 650	1 920	1 920	2 026
Science and Technology		274	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management		-	-	-	-	-	-	-	-	-
Accelerated Community Infrastructure Programme		-	-	-	-	-	-	-	-	-
Department of Water & Sanitation		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	14 000	20 000	20 000	-	-	-
COGHTA		-	-	-	14 000	20 000	20 000	-	-	-
Department Sport Arts and Culture - Library Development		-	150	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Vedanta Black Mountain		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		7 606	13 535	17 556	27 356	33 883	33 883	10 079	8 824	9 140
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		29 948	35 857	37 639	49 460	55 987	55 987	34 189	33 930	36 103

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

1.4.1 Property Rates

Property rates not covering the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2013 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly. The new valuation roll will be implemented at 1 July 2019.

The following stipulations in the Property Rates Policy are highlighted:

- The first R25000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2019/20 financial year based on the new valuation roll that will be implemented from 1 July 2019:

Table 4 Comparison of proposed rates to levied for the 2019/20 financial year:

Category	Current Tariff (1 July 2018)	Proposed tariff (from 1 July 2019)
	c	C
Residential properties	0.01689	0.0110
State owned properties	0.01689	0.0110
Business & Commercial	0.02551	0.013
Agricultural	0.000893	0.00088
Vacant land	0.01689	0.0110
Mining	0.02551	0.013
Industrial	0.02551	0.013
Renuwable energy	0.02551	0.013
Non-permitted use	0	0
Public benefit organisation properties	0	0.0110
Public infrastructure	0	0.00275

1.4.2 Sale of Water and Impact of Tariff Increases

National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2019.

A tariff increase of 5.2 per cent from 1 July 2019 for water is proposed.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2018/19	PROPOSED TARIFFS 2019/20
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 1 >	13.90	14.62
BUSSINESS		
(ii) 1>	13.90	14.62

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

Monthly consumption kl	Current amount payable R 13.90	Proposed amount payable R 14.62	Difference (Increase)	Percentage change %
20	R 278	R 292	R 14	5.2
30	R 417	R 439	R 22	5.2
40	R 556	R 585	R 29	5.2
50	R 695	R 731	R 36	5.2
80	R 1 112	R 1 170	R 58	5.2
100	R 1 390	R 1 462	R 72	5.2

1.4.3 Sale of electricity and Impact of tariff Increases

Nersa has announced a bulk electricity pricing increase of 13.07%. No indication is received from Nersa what the increase will be for the municipalities for 2019/20 financial year. All indigents will receive 50 kWh free of charge.

Table 7 Comparison between current electricity charges and increases (Domestic)

TARIFF INCREASE FROM 2016/17 UNTIL 2021/22										
	2017/18 Increase		2018/19 Increase		2019/20 Increase		2020/21 Increase		2021/22 Increase	
Electricity pre-paid (Econ)	1.7706	1.88%	1.8917	6.84%	2.0430	8%	2.1533	5.4%	2.2695	5.4%
Eelctricity pre-paid (Indigent)	1.508	1.88%	1.6113	6.84%	1.2540	8%	1.3217	5.4%	1.3930	5.4%

A proposed tariff increase of 13.07%.

Sanitation:

The sanitation services is currently operating at a deficit due to high percentage of indigents.

A tariff increase of 7,2% per cent for sanitation from 1 July 2019 is proposed. The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R1,2 million for the 2019/20 financial year.

The following table compares the current and proposed tariffs:

Table 8 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2018/19		PROPOSED TARIFF 2019/20	
	per cent DISCHARGED	Basic	per cent DISCHARGED	Basic
		R		R
Residential and Indigents		129.38		138.70
Business		129.38		138.70

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling-houses

Monthly sanitation	Current amount	Proposed amount	Difference
Consumption	Payable 2018/19	Payable 2019/20	(% increase)
	R	R	R
First pump	129.38	138.70	7.2%

1.4.4 Waste removal and impact of tariff Increases

The waste removal services is currently operating at a deficit due to high percentage of indigents.

A proposed 7.2 per cent increase in the waste removal tariff is proposed from 1 July 2019.

Any increase higher than 7.2% per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2019:

Table 10 Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2018/19		PROPOSED TARIFFS 2019/20	
		WASTE REMOVAL	CLEANING	
Tariff per container per month or part of a month:Residencial		Per month (R)122.20		Per month (R)131.00
Tariff per container per month or part of a month:Business		Per month(R)244.40		Per month (R)262.00

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 12 MBRR Table SA14 – Household bills

NC067 Khai-Ma - Supporting Table SA14 Household bills

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		823.90	869.17	896.62	931.18	931.18	931.18	(349.8%)	665.00	700.00	739.00
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		1 588.70	1 738.00	998.23	1 055.13	1 055.13	1 055.13	106.8%	2 043.00	2 153.32	2 269.60
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		345.00	372.00	396.00	418.57	418.57	418.57	2 089.7%	438.60	462.28	487.25
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		–	–	–	–	–	–	–	–	–	–
sub-total		3 065.80	3 315.07	2 656.77	2 795.42	2 795.42	2 795.42	27.2%	3 556.99	3 748.15	3 948.75
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		3 065.80	3 315.07	2 656.77	2 795.42	2 795.42	2 795.42	27.2%	3 556.99	3 748.15	3 948.75
% increase/-decrease			8.1%	(19.9%)	5.2%	–	–	27.2%	5.4%	5.4%	5.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		587.50	620.83	630.96	685.75	685.75	685.75	(325.4%)	475.00	501.00	528.00
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		794.35	869.00	885.30	935.76	935.76	935.76	1 091.4%	1 021.50	1 076.66	1 134.80
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		287.50	310.00	330.00	348.81	348.81	348.81	2 089.9%	365.50	385.24	406.04
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 977.55	2 135.73	2 212.18	2 360.86	2 360.86	2 360.86	(3.7%)	2 272.39	2 395.45	2 521.74
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		1 977.55	2 135.73	2 212.18	2 360.86	2 360.86	2 360.86	(3.7%)	2 272.39	2 395.45	2 521.74
% increase/-decrease			8.0%	3.6%	6.7%	–	–	(3.7%)	(3.7%)	5.4%	5.3%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		330.00	372.50	398.50	397.00	397.00	397.00	(354.5%)	285.00	300.00	317.00
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		431.31	444.06	527.83	557.92	557.92	557.92	(468.8%)	438.90	462.60	487.58
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		161.00	173.60	264.00	279.04	279.04	279.04	(145.8%)	87.72	92.46	97.44
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 230.51	1 326.06	1 556.25	1 624.50	1 624.50	1 624.50	(24.8%)	1 222.01	1 287.61	1 354.92
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		1 230.51	1 326.06	1 556.25	1 624.50	1 624.50	1 624.50	(24.8%)	1 222.01	1 287.61	1 354.92
% increase/-decrease			7.8%	17.4%	4.4%	–	–	(24.8%)	(24.8%)	5.4%	5.2%

1.5 Operating Expenditure Framework

The municipalities expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 medium term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type											
Employee related costs	2	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Remuneration of councillors		2 042	2 214	2 662	3 241	3 023	3 023	3 023	3 110	3 317	3 538
Debt impairment	3	9 718	9 389	8 948	4 996	4 996	4 996	4 996	5 373	5 603	5 846
Depreciation & asset impairment	2	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Finance charges		1 513	2 449	3 262	1 533	2 133	2 133	2 133	2 126	2 137	2 173
Bulk purchases	2	10 329	10 830	12 394	13 258	13 658	13 658	13 658	14 275	15 524	16 592
Other materials	8	392	–	–	5 271	2 920	2 920	2 920	3 829	2 982	3 143
Contracted services		3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	6 759	7 013	7 502	5 400	7 799	7 799	7 799	8 237	8 681	9 150
Loss on disposal of PPE		11	156	6	–	–	–	–			
Total Expenditure		54 529	57 899	67 560	69 085	70 292	70 292	70 292	76 271	79 954	84 464

Table 13 Summary of operating expenditure by standard classification item

The budgeted allocation for employee related costs for the 2019/20 financial year totals R32,2 million, which equals 42.31 per cent of the total operating expenditure.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 80% per cent and the Debt Write-off Policy of the municipality.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). All longterm loans are redeemed.

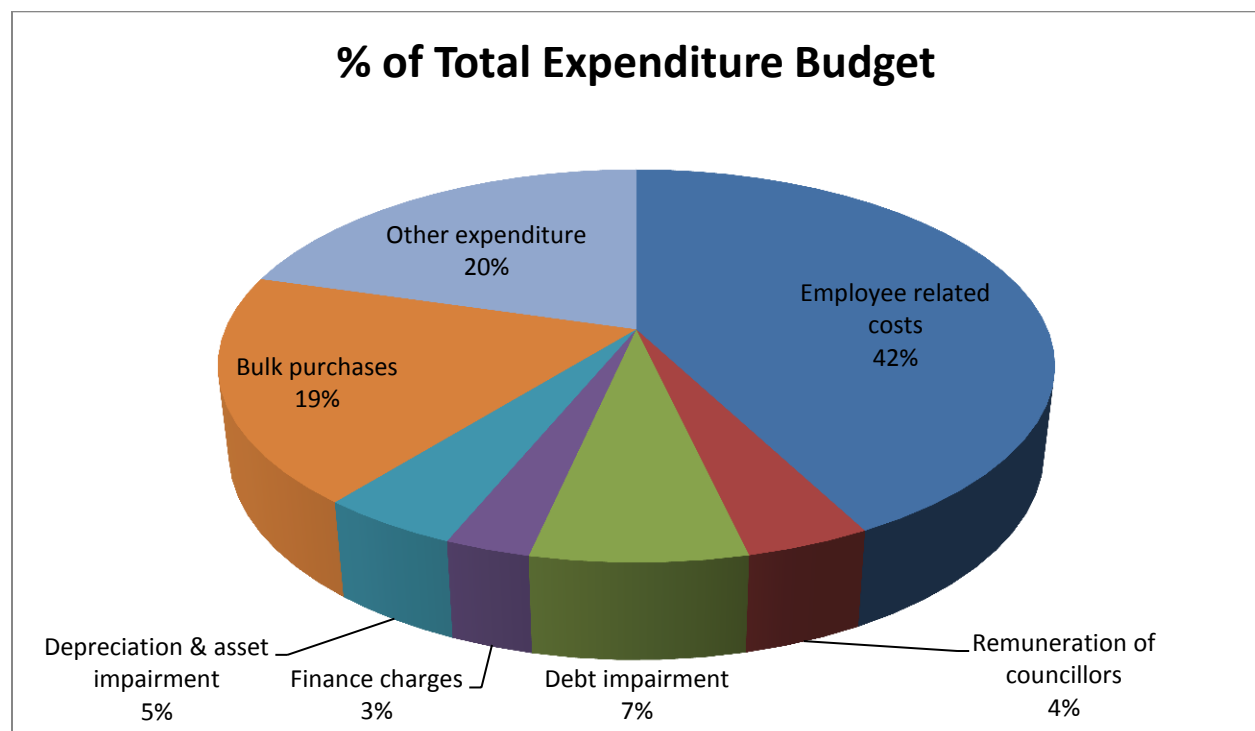
Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Sedibeng. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipalities infrastructure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2018/19 financial year.

Figure 1 Main operational expenditure categories for the 2019/20 financial year:



1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipalities current infrastructure, the 2019/20 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

Table 14 Operational repairs and maintenance

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and Maintenance by Asset Class	3	930	1 127	1 591	1 951	2 440	2 440	2 459	2 591	2 731

Table 15 Repairs and maintenance per asset class

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE OTHER ITEMS		7 181	4 646	11 472	4 959	6 311	6 311	5 932	6 065	6 205
<u>Depreciation</u>	7	6 251	3 519	9 881	3 008	3 871	3 871	3 474	3 474	3 474
<u>Repairs and Maintenance by Asset Class</u>	3	930	1 127	1 591	1 951	2 440	2 440	2 459	2 591	2 731
Roads Infrastructure		27	13	702	53	53	53	55	58	62
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		100	130	101	272	304	304	247	260	274
Water Supply Infrastructure		238	324	178	526	579	579	606	638	673
Sanitation Infrastructure		16	26	2	53	57	57	60	64	67
Solid Waste Infrastructure		46	49	-	53	112	112	55	58	61
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		426	542	984	956	1 104	1 104	1 023	1 079	1 137
Community Facilities		84	-	2	100	111	111	100	105	111
Sport and Recreation Facilities		-	3	11	32	32	32	33	35	37
Community Assets		84	3	13	132	143	143	133	140	148
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	106	106	106	111	117	124
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	106	106	106	111	117	124
Operational Buildings		39	8	272	53	-	-	56	59	62
Housing		16	4	10	11	-	-	13	13	14
Other Assets		56	12	282	63	-	-	69	72	76
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	123	150	316	556	556	580	611	644
Furniture and Office Equipment		263	7	89	45	55	55	20	21	22
Machinery and Equipment		19	9	-	16	5	5	21	22	23
Transport Assets		82	431	73	317	471	471	502	529	558
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		7 181	4 646	11 472	4 959	6 311	6 311	5 932	6 065	6 205
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.5%	2.3%	13.3%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.6%	4.5%	29.9%	776.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.8%	1.2%	1.5%	1.2%	1.4%	1.8%	1.8%	1.8%	1.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>		1.0%	1.0%	4.0%	16.0%	1.0%	2.0%	2.0%	2.0%	2.0%

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipalities Indigent Policy. The target is to register 1810 indigent households during the 2019/20 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 39.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table 16 Medium-term capital budget per vote:

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table A9 2019/20 Medium-term capital budget per vote

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
CAPITAL EXPENDITURE										
Total New Assets	1	8 239	6 902	19 317	4 158	34 084	34 084	8 879	8 824	9 140
Roads Infrastructure		3 549	4 426	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		529	–	199	1 650	1 650	1 650	1 920	1 920	2 026
Water Supply Infrastructure		48	1 184	12 077	–	27 124	27 124	6 759	6 904	7 114
Sanitation Infrastructure		–	–	–	–	2 499	2 499	–	–	–
Solid Waste Infrastructure		4 017	1 007	6 834	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		8 143	6 617	19 110	1 650	31 273	31 273	8 679	8 824	9 140
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	2 358	2 610	2 610	–	–	–
Community Assets		–	–	–	2 358	2 610	2 610	–	–	–
Licences and Rights		19	10	26	–	–	–	–	–	–
Intangible Assets		19	10	26	–	–	–	–	–	–
Computer Equipment		–	116	68	150	201	201	200	–	–
Furniture and Office Equipment		72	123	–	–	–	–	–	–	–
Machinery and Equipment		6	8	113	–	–	–	–	–	–
Transport Assets		–	28	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	39	160	2 959	23 348	–	–	–	–	–
Water Supply Infrastructure		–	–	–	14 348	–	–	–	–	–
Sanitation Infrastructure		–	–	–	9 000	–	–	–	–	–
Infrastructure		–	–	–	23 348	–	–	–	–	–
Community Facilities		39	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	160	2 959	–	–	–	–	–	–
Community Assets		39	160	2 959	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	–	–	–	–	–	–	1 400	–	–
Water Supply Infrastructure		–	–	–	–	–	–	700	–	–
Sanitation Infrastructure		–	–	–	–	–	–	700	–	–
Infrastructure		–	–	–	–	–	–	1 400	–	–
Total Capital Expenditure	4	8 278	7 062	22 277	27 506	34 084	34 084	10 279	8 824	9 140
Roads Infrastructure		3 549	4 426	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		529	–	199	1 650	1 650	1 650	1 920	1 920	2 026
Water Supply Infrastructure		48	1 184	12 077	14 348	27 124	27 124	7 459	6 904	7 114
Sanitation Infrastructure		–	–	–	9 000	2 499	2 499	700	–	–
Solid Waste Infrastructure		4 017	1 007	6 834	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		8 143	6 617	19 110	24 998	31 273	31 273	10 079	8 824	9 140
Community Facilities		39	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	160	2 959	2 358	2 610	2 610	–	–	–
Community Assets		39	160	2 959	2 358	2 610	2 610	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Licences and Rights		19	10	26	–	–	–	–	–	–
Intangible Assets		19	10	26	–	–	–	–	–	–
Computer Equipment		–	116	68	150	201	201	200	–	–
Furniture and Office Equipment		72	123	–	–	–	–	–	–	–
Machinery and Equipment		6	8	113	–	–	–	–	–	–
Transport Assets		–	28	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		8 278	7 062	22 277	27 506	34 084	34 084	10 279	8 824	9 140

For 2019/20 an amount of R10.2 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget. Total new assets represent 8.95 per cent or R920,000 thousand of the total capital budget while asset renewal equates to 91.05 per cent.

Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35.

NC067 Khai-Ma - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2019/20 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Municipal Manager		200	—	—	—	—	—	—
Vote 2 - Finance		—	—	—	—	—	—	—
Vote 3 - Corporate Services		—	—	—	—	—	—	—
Vote 4 - Infrastructure Development		10 079	8 824	9 140	—	—	—	—
Vote 5 - Economic Development		—	—	—	—	—	—	—
List entity summary if applicable		—	—	—	—	—	—	—
Total Capital Expenditure		10 279	8 824	9 140	—	—	—	—

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 17 MBRR Table A1 - Budget Summary

NC067 Khai-Ma - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 149
Service charges	16 228	16 086	16 320	17 734	17 356	17 356	17 356	18 381	19 373	20 419
Investment revenue	313	388	660	200	200	200	200	200	211	222
Transfers recognised - operational	18 046	20 059	20 083	22 104	21 104	21 104	21 104	24 110	25 106	26 963
Other own revenue	2 675	5 729	8 670	2 503	4 231	4 231	4 231	4 274	4 504	4 748
Total Revenue (excluding capital transfers and contributions)	40 467	46 340	50 786	47 606	48 161	48 161	48 161	55 200	57 875	61 501
Employee costs	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Remuneration of councillors	2 042	2 214	2 662	3 241	3 023	3 023	3 023	3 110	3 317	3 538
Depreciation & asset impairment	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Finance charges	1 513	2 449	3 262	1 533	2 133	2 133	2 133	2 126	2 137	2 173
Materials and bulk purchases	10 721	10 830	12 394	18 530	16 579	16 579	16 579	18 104	18 506	19 735
Transfers and grants	—	—	—	—	—	—	—	—	—	—
Other expenditure	19 582	19 588	18 492	14 648	17 694	17 694	17 694	17 183	18 051	18 967
Total Expenditure	54 529	57 899	67 560	69 085	70 292	70 292	70 292	76 271	79 954	84 464
Surplus/(Deficit)	(14 063)	(11 559)	(16 774)	(21 479)	(22 131)	(22 131)	(22 131)	(21 071)	(22 079)	(22 962)
Transfers and subsidies - capital (monetary allocation)	6 004	6 586	17 556	27 356	34 883	34 883	34 883	10 079	8 824	9 140
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Capital expenditure & funds sources										
Capital expenditure	8 278	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140
Transfers recognised - capital	8 208	5 872	15 124	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	71	1 190	7 153	150	201	201	201	200	—	—
Total sources of capital funds	8 278	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140
Financial position										
Total current assets	6 457	11 708	9 776	14 213	4 806	4 509	4 509	1 005	1 283	(1 581)
Total non current assets	113 013	97 127	109 517	163 140	173 856	139 705	139 705	146 510	151 861	157 527
Total current liabilities	27 273	39 213	46 028	26 694	31 194	31 194	31 194	31 823	48 936	63 861
Total non current liabilities	8 779	10 331	13 192	18 737	18 671	18 671	18 671	32 335	34 106	35 806
Community wealth/Equity	83 418	59 291	60 073	131 922	128 798	94 349	94 349	83 357	70 102	56 280
Cash flows										
Net cash from (used) operating	5 266	11 034	9 784	26 496	32 668	32 668	32 668	(7 569)	(11 105)	(4 060)
Net cash from (used) investing	(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
Net cash from (used) financing	5	1	5	(23)	(23)	(23)	(23)	13	14	16
Cash/cash equivalents at the year end	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Cash backing/surplus reconciliation										
Cash and investments available	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Application of cash and investments	(14 290)	7 176	6 132	(10 822)	(21 899)	631	631	12 257	10 305	13 187
Balance - surplus (shortfall)	15 821	(588)	(5 199)	12 045	22 715	185	185	(29 275)	(47 239)	(63 305)
Asset management										
Asset register summary (WDV)	113 013	97 127	109 517	163 140	173 856	139 705	139 705	146 510	151 861	157 527
Depreciation	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Renewal and Upgrading of Existing Assets	39	160	2 959	23 348	—	—	—	1 400	—	—
Repairs and Maintenance	930	1 127	1 591	1 951	2 440	2 440	2 440	2 459	2 591	2 731
Free services										
Cost of Free Basic Services provided	—	—	19 059	20 202	20 202	20 202	21 253	21 253	22 400	23 610
Revenue cost of free services provided	18 368	19 962	22 255	23 782	23 045	23 045	20 775	20 775	21 897	23 080
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget

Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC067 Khai-Ma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		21 211	25 532	29 526	25 100	25 405	25 405	30 165	32 483	34 809
Executive and council		1 427	15 576	16 391	17 420	17 420	17 420	18 953	20 365	21 927
Finance and administration		19 783	9 287	11 856	7 680	7 590	7 590	11 212	12 118	12 882
Internal audit		–	669	1 280	–	394	394	–	–	–
<i>Community and public safety</i>		1 043	1 323	4 161	3 433	3 331	3 331	483	601	588
Community and social services		1 043	1 139	813	721	721	721	692	821	820
Sport and recreation		–	184	3 348	2 712	2 610	2 610	(209)	(221)	(233)
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		4 760	5 385	1 238	296	342	342	(142)	(149)	(157)
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		4 760	5 385	1 238	296	342	342	(142)	(149)	(157)
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		19 457	20 687	33 417	46 133	53 967	53 967	34 773	33 765	35 403
Energy sources		8 713	7 362	8 629	10 783	10 310	10 310	11 932	12 473	13 148
Water management		8 525	10 961	21 926	23 742	38 105	38 105	17 862	17 836	18 612
Waste water management		1 245	1 239	1 538	10 288	4 103	4 103	3 426	1 819	1 917
Waste management		975	1 125	1 325	1 320	1 450	1 450	1 553	1 637	1 725
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	46 471	52 926	68 342	74 962	83 045	83 045	65 279	66 699	70 641
Expenditure - Functional										
<i>Governance and administration</i>		17 588	27 965	24 065	27 259	29 353	29 353	29 522	31 374	33 137
Executive and council		6 595	15 367	7 606	8 617	8 604	8 604	9 100	9 671	10 278
Finance and administration		10 993	4 503	6 768	18 642	8 145	8 145	20 422	21 703	22 859
Internal audit		–	8 095	9 691	–	12 604	12 604	–	–	–
<i>Community and public safety</i>		1 676	2 005	1 797	2 797	2 703	2 703	2 861	3 021	3 192
Community and social services		1 220	1 554	1 374	2 154	2 099	2 099	2 256	2 394	2 541
Sport and recreation		456	451	423	644	604	604	604	627	652
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 034	2 922	3 077	4 049	3 368	3 368	3 724	3 907	4 101
Planning and development		907	1 071	843	1 660	1 504	1 504	1 263	1 344	1 429
Road transport		1 127	1 851	2 234	2 389	1 864	1 864	2 461	2 563	2 672
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		32 837	25 007	38 622	34 979	34 868	34 868	40 164	41 652	44 033
Energy sources		11 292	10 426	15 940	13 226	13 491	13 491	14 589	15 501	16 191
Water management		12 700	8 971	11 718	13 303	15 005	15 005	13 426	14 387	15 425
Waste water management		6 238	2 628	2 681	4 186	2 643	2 643	6 250	5 561	5 891
Waste management		2 607	2 983	8 282	4 264	3 728	3 728	5 900	6 203	6 526
<i>Other</i>	4	393	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	54 529	57 899	67 560	69 085	70 292	70 292	76 271	79 954	84 464
Surplus/(Deficit) for the year		(8 058)	(4 973)	782	5 877	12 753	12 753	(10 992)	(13 255)	(13 822)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.

4. Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC067 Khai-Ma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - Municipal Manager		1 427	15 576	16 391	17 420	17 420	17 420	18 953	20 365	21 927
Vote 2 - Finance		19 646	9 809	12 902	7 769	8 367	8 367	11 410	12 326	13 101
Vote 3 - Corporate Services		1 435	1 597	1 328	928	708	708	695	824	823
Vote 4 - Infrastructure Development		23 962	25 944	37 722	48 845	56 550	56 550	34 222	33 184	34 790
Vote 5 - Economic Development		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	46 471	52 926	68 342	74 962	83 045	83 045	65 279	66 699	70 641
Expenditure by Vote to be appropriated	1									
Vote 1 - Municipal Manager		6 595	15 367	7 606	8 617	8 604	8 604	9 100	9 671	10 278
Vote 2 - Finance		4 861	6 687	10 287	12 463	14 755	14 755	9 934	10 527	11 165
Vote 3 - Corporate Services		7 333	7 782	7 549	8 335	8 131	8 131	13 289	14 159	14 856
Vote 4 - Infrastructure Development		34 440	26 992	41 275	38 009	37 299	37 299	42 685	44 253	46 735
Vote 5 - Economic Development		1 300	1 071	843	1 660	1 504	1 504	1 263	1 344	1 429
Total Expenditure by Vote	2	54 529	57 899	67 560	69 085	70 292	70 292	76 271	79 954	84 464
Surplus/(Deficit) for the year	2	(8 058)	(4 973)	782	5 877	12 753	12 753	(10 992)	(13 255)	(13 822)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 20 Surplus/(Deficit) calculations for the trading services

NC067 Khai-Ma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
Trading services										
Energy sources		8 713	7 362	8 629	10 783	10 310	10 310	11 932	12 473	13 148
Total Revenue - Functional	2	8 713	7 362	8 629	10 783	10 310	10 310	11 932	12 473	13 148
Expenditure - Functional										
Trading services										
Energy sources		11 292	10 426	15 940	13 226	13 491	13 491	14 589	15 501	16 191
Total Expenditure - Functional	3	11 292	10 426	15 940	13 226	13 491	13 491	14 589	15 501	16 191
Surplus/(Deficit) for the year		(2 579)	(3 063)	(7 312)	(2 443)	(3 182)	(3 182)	(2 657)	(3 028)	(3 043)
Revenue - Functional										
Trading services										
Water management		8 525	9 630	8 700	9 747	10 981	10 981	10 403	10 932	11 498
Total Revenue - Functional	2	8 525	9 630	8 700	9 747	10 981	10 981	10 403	10 932	11 498
Expenditure - Functional										
Trading services										
Water management		12 700	8 971	11 718	13 303	15 005	15 005	13 426	14 387	15 425
Total Expenditure - Functional	3	12 700	8 971	11 718	13 303	15 005	15 005	13 426	14 387	15 425
Surplus/(Deficit) for the year		(4 176)	659	(3 018)	(3 556)	(4 024)	(4 024)	(3 023)	(3 455)	(3 927)

- The deficit of the electricity services is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting by the NERSA.
- The deficit on the water account is primarily as a result of the high indigent figure and the overuse the 6kl free water.

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 149
Service charges - electricity revenue	2	7 139	7 250	7 532	9 016	8 540	8 540	8 540	9 329	9 833	10 364
Service charges - water revenue	2	7 103	6 831	6 403	6 584	6 317	6 317	6 317	6 432	6 779	7 145
Service charges - sanitation revenue	2	1 122	1 053	1 291	1 043	1 309	1 309	1 309	1 377	1 452	1 530
Service charges - refuse revenue	2	864	953	1 094	1 091	1 191	1 191	1 191	1 242	1 310	1 380
Rental of facilities and equipment		145	182	214	187	187	187	187	195	205	217
Interest earned - external investments		313	388	660	200	200	200	200	200	211	222
Interest earned - outstanding debtors		1 594	2 258	2 885	1 996	3 676	3 676	3 676	3 881	4 090	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		24	31	55	42	77	77	77	82	86	91
Licences and permits		35	41	34	72	82	82	82	85	90	95
Agency services		193	236	243	179	179	179	179	-	-	-
Transfers and subsidies		18 046	20 059	20 083	22 104	21 104	21 104	21 104	24 110	25 106	26 963
Other revenue	2	684	2 980	5 239	27	30	30	30	31	33	34
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		40 467	46 340	50 786	47 606	48 161	48 161	48 161	55 200	57 875	61 501
Expenditure By Type											
Employee related costs	2	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Remuneration of councillors		2 042	2 214	2 662	3 241	3 023	3 023	3 023	3 110	3 317	3 538
Debt impairment	3	9 718	9 389	8 948	4 996	4 996	4 996	4 996	5 373	5 603	5 846
Depreciation & asset impairment	2	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Finance charges		1 513	2 449	3 262	1 533	2 133	2 133	2 133	2 126	2 137	2 173
Bulk purchases	2	10 329	10 830	12 394	13 258	13 658	13 658	13 658	14 275	15 524	16 592
Other materials	8	392	-	-	5 271	2 920	2 920	2 920	3 829	2 982	3 143
Contracted services		3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	6 759	7 013	7 502	5 400	7 799	7 799	7 799	8 237	8 681	9 150
Loss on disposal of PPE		11	156	6	-	-	-	-	-	-	-
Total Expenditure		54 529	57 899	67 560	69 085	70 292	70 292	70 292	76 271	79 954	84 464
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(14 063)	(11 559)	(16 774)	(21 479)	(22 131)	(22 131)	(22 131)	(21 071)	(22 079)	(22 962)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher		6 004	6 586	17 556	27 356	34 883	34 883	34 883	10 079	8 824	9 140
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Tax ation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R55,2 million in 2019/20 and increase to R57,8 million in 2020/21 and R61,5 in 2021/22 due to increase in government grant and services.
2. Revenue to be generated from property rates is R8.2 million in the 2019/20 financial year and increases to R8,6 million by 2020/21 and by 2021/22 R9,1 million.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing rapidly over the MTREF. The municipality is grant dependent and is it important to increase the equitable share every year.

Figure 2 Expenditure by major type

5. Bulk purchases have significantly increased over the past few years. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Sedibeng.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		5 393	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	5 393	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		160	166	100	150	201	201	201	200	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	119	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		2 725	6 777	22 177	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2 885	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140
Total Capital Expenditure - Vote		8 278	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140
Capital Expenditure - Functional											
Governance and administration		74	166	94	150	201	201	201	200	-	-
Executive and council		74	166	94	150	201	201	201	200	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		61	279	2 959	2 358	2 610	2 610	2 610	-	-	-
Community and social services		61	119	-	-	-	-	-	-	-	-
Sport and recreation		-	160	2 959	2 358	2 610	2 610	2 610	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3 549	4 426	113	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		3 549	4 426	113	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 594	2 191	19 110	24 998	31 273	31 273	31 273	10 079	8 824	9 140
Energy sources		529	-	199	1 650	1 650	1 650	1 650	1 920	1 920	2 026
Water management		48	1 184	12 077	14 348	27 124	27 124	27 124	7 459	6 904	7 114
Waste water management		-	-	-	9 000	2 499	2 499	2 499	700	-	-
Waste management		4 017	1 007	6 834	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	8 278	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140
Funded by:											
National Government		4 168	5 753	15 124	18 356	13 883	13 883	13 883	10 079	8 824	9 140
Provincial Government		22	119	-	9 000	20 000	20 000	20 000	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		4 017	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	8 208	5 872	15 124	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		71	1 190	7 153	150	201	201	201	200	-	-
Total Capital Funding	7	8 278	7 062	22 277	27 506	34 084	34 084	34 084	10 279	8 824	9 140

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 23 MBRR Table A6 - Budgeted Financial Position

NC067 Khai-Ma - Table A6 Budgeted Financial Position											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		1 531	6 588	933	823	417	417	417	(2 862)	(5 579)	(5 475)
Call investment deposits	1	—	—	—	400	400	400	400	400	400	400
Consumer debtors	1	1 445	1 767	2 663	11 337	2 337	2 040	2 040	2 853	5 835	2 853
Other debtors		2 846	2 844	4 841	1 124	1 124	1 124	1 124	408	408	408
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	635	509	1 340	529	529	529	529	207	220	233
Total current assets		6 457	11 708	9 776	14 213	4 806	4 509	4 509	1 005	1 283	(1 581)
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		1 361	5 965	4 975	1 279	1 279	1 279	1 279	4 963	4 958	4 952
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	111 547	90 821	104 335	161 855	172 571	138 420	138 420	141 386	146 766	152 461
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		105	341	207	5	5	5	5	161	137	114
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		113 013	97 127	109 517	163 140	173 856	139 705	139 705	146 510	151 861	157 527
TOTAL ASSETS		119 470	108 835	119 293	177 353	178 662	144 213	144 213	147 515	153 144	155 946
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	14 556	31 755	45 043
Borrowing	4	—	121	134	—	—	—	—	—	—	—
Consumer deposits		102	126	157	132	132	132	132	145	159	175
Trade and other payables	4	20 655	31 118	32 238	24 149	2 413	2 413	2 413	14 597	14 328	15 767
Provisions		6 516	7 847	13 499	2 413	28 649	28 649	28 649	2 525	2 694	2 875
Total current liabilities		27 273	39 213	46 028	26 694	31 194	31 194	31 194	31 823	48 936	63 861
Non current liabilities											
Borrowing		—	29	—	—	—	—	—	11 500	11 500	11 500
Provisions		8 779	10 303	13 192	18 737	18 671	18 671	18 671	20 835	22 606	24 306
Total non current liabilities		8 779	10 331	13 192	18 737	18 671	18 671	18 671	32 335	34 106	35 806
TOTAL LIABILITIES		36 052	49 544	59 220	45 431	49 864	49 864	49 864	64 159	83 042	99 667
NET ASSETS	5	83 418	59 291	60 073	131 922	128 798	94 349	94 349	83 357	70 102	56 280
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		53 567	30 913	31 883	103 769	100 645	66 196	66 196	55 392	42 324	28 690
Reserves	4	29 852	28 378	28 191	28 153	28 153	28 153	28 153	27 965	27 778	27 590
TOTAL COMMUNITY WEALTH/EQUITY	5	83 418	59 291	60 073	131 922	128 798	94 349	94 349	83 357	70 102	56 280

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and

- Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 208	4 726	3 886	4 504	4 216	4 216	4 216	6 589	6 944	7 319
Service charges		12 101	9 160	11 109	13 549	10 826	10 826	10 826	14 666	13 768	19 572
Other revenue		2 611	3 356	5 194	462	220	220	220	1 070	355	428
Government - operating	1	15 025	19 465	17 879	22 104	22 104	22 104	22 104	24 110	25 106	26 963
Government - capital	1	9 188	12 246	13 825	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Interest		313	388	660	1 725	2 493	2 493	2 493	3 296	3 117	4 354
Dividends											
Payments											
Suppliers and employees		(37 554)	(36 952)	(37 988)	(43 205)	(41 075)	(41 075)	(41 075)	(65 253)	(67 132)	(69 760)
Finance charges		(626)	(1 356)	(1 663)					(2 125)	(2 087)	(2 077)
Transfers and Grants	1			(3 119)							
NET CASH FROM/(USED) OPERATING ACTIVITIES		5 266	11 034	9 784	26 496	32 668	32 668	32 668	(7 569)	(11 105)	(4 060)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		16	24	30	5	5	5	5	13	14	16
Payments											
Repayment of borrowing		(11)	(23)	(26)	(29)	(29)	(29)	(29)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		5	1	5	(23)	(23)	(23)	(23)	13	14	16
NET INCREASE/ (DECREASE) IN CASH HELD		740	5 057	(5 655)	(1 033)	(1 440)	(1 440)	(1 440)	(17 835)	(19 915)	(13 184)
Cash/cash equivalents at the year begin:	2	790	1 531	6 588	2 257	2 257	2 257	2 257	817	(17 018)	(36 933)
Cash/cash equivalents at the year end:	2	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)

¹Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Other current investments > 90 days		—	—	—	—	—	—	—	0	0	0
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Application of cash and investments											
Unspent conditional transfers		—	—	—	—	—	—	—	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	—	—	—	—
Other working capital requirements	3	(14 306)	7 160	6 116	(10 838)	(21 915)	615	615	12 240	10 289	13 171
Other provisions		—	—	—	—	—	—	—	—	—	—
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	16	16	16	16	16	16	16	16	16	16
Total Application of cash and investments:		(14 290)	7 176	6 132	(10 822)	(21 899)	631	631	12 257	10 305	13 187
Surplus(shortfall)		15 821	(588)	(5 199)	12 045	22 715	185	185	(29 275)	(47 239)	(63 305)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 208	4 726	3 886	4 504	4 216	4 216	4 216	6 589	6 944	7 319
Service charges		12 101	9 160	11 109	13 549	10 826	10 826	10 826	14 666	13 768	19 572
Other revenue		2 611	3 356	5 194	462	220	220	220	1 070	355	428
Government - operating	1	15 025	19 465	17 879	22 104	22 104	22 104	22 104	24 110	25 106	26 963
Government - capital	1	9 188	12 246	13 825	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Interest		313	388	660	1 725	2 493	2 493	2 493	3 296	3 117	4 354
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		(37 554)	(36 952)	(37 988)	(43 205)	(41 075)	(41 075)	(41 075)	(65 253)	(67 132)	(69 760)
Finance charges		(626)	(1 356)	(1 663)	—	—	—	—	(2 125)	(2 087)	(2 077)
Transfers and Grants	1	—	—	(3 119)	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		5 266	11 034	9 784	26 496	32 668	32 668	32 668	(7 569)	(11 105)	(4 060)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors		—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
Payments											
Capital assets		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		16	24	30	5	5	5	5	13	14	16
Payments											
Repayment of borrowing		(11)	(23)	(26)	(29)	(29)	(29)	(29)	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		5	1	5	(23)	(23)	(23)	(23)	13	14	16
NET INCREASE/ (DECREASE) IN CASH HELD		740	5 057	(5 655)	(1 033)	(1 440)	(1 440)	(1 440)	(17 835)	(19 915)	(13 184)
Cash/cash equivalents at the year begin:	2	790	1 531	6 588	2 257	2 257	2 257	2 257	817	(17 018)	(36 933)
Cash/cash equivalents at the year end:	2	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The budget is not funded and has a shortfall of R17 million.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is not aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 26 MBRR Table A9 - Asset Management

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
EXPENDITURE OTHER ITEMS		7 181	4 646	11 472	4 959	6 311	6 311	5 932	6 065	6 205
<u>Depreciation</u>	7	6 251	3 519	9 881	3 008	3 871	3 871	3 474	3 474	3 474
<u>Repairs and Maintenance by Asset Class</u>	3	930	1 127	1 591	1 951	2 440	2 440	2 459	2 591	2 731
Roads Infrastructure		27	13	702	53	53	53	55	58	62
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		100	130	101	272	304	304	247	260	274
Water Supply Infrastructure		238	324	178	526	579	579	606	638	673
Sanitation Infrastructure		16	26	2	53	57	57	60	64	67
Solid Waste Infrastructure		46	49	-	53	112	112	55	58	61
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		426	542	984	956	1 104	1 104	1 023	1 079	1 137
Community Facilities		84	-	2	100	111	111	100	105	111
Sport and Recreation Facilities		-	3	11	32	32	32	33	35	37
Community Assets		84	3	13	132	143	143	133	140	148
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	106	106	106	111	117	124
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	106	106	106	111	117	124
Operational Buildings		39	8	272	53	-	-	56	59	62
Housing		16	4	10	11	-	-	13	13	14
Other Assets		56	12	282	63	-	-	69	72	76
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	123	150	316	556	556	580	611	644
Furniture and Office Equipment		263	7	89	45	55	55	20	21	22
Machinery and Equipment		19	9	-	16	5	5	21	22	23
Transport Assets		82	431	73	317	471	471	502	529	558
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		7 181	4 646	11 472	4 959	6 311	6 311	5 932	6 065	6 205
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		0.5%	2.3%	13.3%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		0.6%	4.5%	29.9%	776.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.8%	1.2%	1.5%	1.2%	1.4%	1.8%	1.8%	1.8%	1.8%
<i>Renewal and upgrading and R&M as a % of PPE</i>		1.0%	1.0%	4.0%	16.0%	1.0%	2.0%	2.0%	2.0%	2.0%

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

NC067 Khai-Ma - Table A10 Basic service delivery measurement										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets	1									
Water:										
Piped water inside dwelling		84	70	1 282	1 332	1 332	1 332	1 502	1 502	1 502
Piped water inside yard (but not in dwelling)		130	120	1 400	1 520	1 520	1 520	1 550	1 550	1 550
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		214	190	2 682	2 852	2 852	2 852	3 052	3 052	3 052
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	214	190	2 682	2 852	2 852	2 852	3 052	3 052	3 052
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		84	70	1 356	1 456	1 456	1 456	1 525	1 525	1 525
Flush toilet (with septic tank)		130	120	160	190	190	190	215	215	215
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	450	450	450	450	450	450	450
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		214	190	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	214	190	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Energy:										
Electricity (at least min.service level)		-	-	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Electricity - prepaid (min.service level)		231	120	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		231	120	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	231	120	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Refuse:										
Removed at least once a week		2 194	2 300	2 045	2 096	-	-	2 190	-	-
Minimum Service Level and Above sub-total		2 194	2 300	2 045	2 096	-	-	2 190	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	2 194	2 300	2 045	2 096	-	-	2 190	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	7 387	7 778	7 778	7 778	8 183	8 625	9 091
Sanitation (free sanitation service to indigent households)		-	-	1 953	2 056	2 056	2 056	2 163	2 280	2 403
Electricity/other energy (50kwh per indigent household per month)		-	-	6 609	7 092	7 092	7 092	7 461	7 864	8 289
Refuse (removed once a week for indigent households)		-	-	3 110	3 275	3 275	3 275	3 446	3 632	3 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	19 059	20 202	20 202	20 202	21 253	22 400	23 610
Highest level of free service provided per household										
Property rates (R value threshold)		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		97	-	123	130	130	130	139	146	154
Electricity (kwh per household per month)		92	-	50	50	50	50	50	50	50
Refuse (average litres per week)		5	-	116	123	123	123	25	25	25
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		10 727	11 595	12 379	13 048	12 960	12 960	10 694	11 271	11 880
Water (in excess of 6 kilolitres per indigent household per month)		3 242	3 499	4 462	4 763	4 218	4 218	4 054	4 273	4 504
Sanitation (in excess of free sanitation service to indigent households)		1 924	2 108	2 363	2 717	2 594	2 594	2 774	2 924	3 082
Electricity/other energy (in excess of 50 kwh per indigent household per month)		469	538	568	580	600	600	464	489	515
Refuse (in excess of one removal a week for indigent households)		2 006	2 223	2 484	2 673	2 673	2 673	2 789	2 939	3 098
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	18 368	19 962	22 255	23 782	23 045	23 045	20 775	21 897	23 080

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs.

Part 2 – Supporting Documentation

1.8 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.8.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

1.8.2 IDP and Service Delivery and Budget Implementation Plan

The municipalities IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;

- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

1.8.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,54 and 67 has been taken into consideration in the planning and prioritisation process.

1.8.4 Community Consultation

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

1.9 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and

direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Table 11 IDP Strategic Objectives

2019/20 Financial Year	2020/21 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the municipality.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme.
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing the municipality in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website, National Treasuries Tender Portal.
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NC067 Khai-Ma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A		1 108	1 266	1 491	1 320	1 320	1 320	1 553	1 637	1 725	
	Develop, manage and regulate the built and natural environment	B		–	–	–	–	–	–	–	–	–	
Quality Living Environment	Meet service needs and address backlogs	C		27 968	30 918	37 003	45 109	53 191	53 191	32 379	31 979	33 520	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		–	–	–	–	–	–	–	–	–	
	Promoting the health of citizens	F		12	12	12	13	13	13	692	821	820	
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		2	3 464	6 534	2 712	2 712	2 712	(209)	(221)	(233)	
Good Governance	Ensure accessibility and promote governance.	H		7 075	7 033	2 530	2 456	2 456	2 456	1 581	1 654	1 732	
	Create an efficient, effective and accountable administration	I		282	219	15 420	16 067	16 067	16 067	17 544	18 892	20 385	
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for money expenditure	J		10 023	10 014	5 352	7 286	7 286	7 286	11 041	11 937	12 691	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	46 471	52 926	68 342	74 962	83 045	83 045	64 579	66 699	70 641

Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC067 Khai-Ma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand												
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	A	1	3 548	3 423	3 649	4 264	4 264	4 264	5 900	6 203	6 526
	Develop, manage and regulate the built and natural environment	B		990	830	1 161	1 660	1 660	1 660	1 263	1 344	1 429
Quality Living Environment	C	29 103		29 200	35 068	32 639	33 846	33 846	36 218	37 462	39 601	
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		252	252	252	265	265	265	279	294	310
	Promoting the health of citizens	F		285	289	367	376	376	376	432	458	485
Embracing our Cultural Diversity	Promote sport and recreation within the town	G		578	597	620	617	617	617	443	427	411
Good Governance	Ensure accessibility and promote governance.	H		5 951	6 345	6 891	7 171	7 171	7 171	7 159	7 595	8 058
	Create an efficient, effective and accountable administration	I		7 431	9 481	12 214	13 880	13 880	13 880	14 872	15 883	16 731
Financial Viability and Sustainability	Strategic and sustainable budgeting, Grow and diversify our revenues and Value for ...	J		6 391	7 484	7 340	8 214	8 214	8 214	9 706	10 287	10 913
Allocations to other priorities												
Total Expenditure				54 529	57 899	67 560	69 085	70 292	70 292	76 271	79 954	84 464

Table 31 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NC067 Khai-Ma - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 4 - Infrastructure Development										
Function 1 - Infrastructure Development										
Sub-function 1 - Electricity										
INEP: Electricity connection	90 households	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%			0.0%
INEP: Electricity connection- In filled	98 Households							100.0%	0.0%	
Sub-function 2 - Water										
MIG: Upgrading of bulkwater (Pofadder)	Phase 1-2	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%			
WSIG: Replacement of asbestos water pipes	Phase 1			100.0%						
WSIG: Upgrading of bulkwater - Onseepkans	% households				100.0%	100.0%	100.0%			
MIG: Pella Water	% households							100.0%	0.0%	0.0%
Sub-function 3 - Roads										
EPWP: Upgrading of roads (Ward 4)	1Km	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%			
Sub-function 4 - Waste Water										
Upgrading of sewerage PUMPS-Access to	% households	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%			
Vote 1 - vote name										
Function 1 - Housing										
Sub-function 1 - Housing										
Provision of 384 Housing Units	% households	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 2 - Water										
Upgrading of water supply networks-Access to	% households	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 3 - Waste Water										
Upgrading of sewerage networks-Access to	% households	40.0%	40.0%	0.0%	0.0%	0.0%	0.0%			
Function 2 - Waste Manangement										
Sub-function 1 - Solid Waste										
Extension/New landfill sites		50.0%	50.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 2 - Electricity										
Provision of new electricity connections -	% households	30.0%	30.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 3 -Parks										
Upgrading of sport facilities	% Households	0.0%	0.0%	30.0%	95.0%	100.0%	100.0%	0.0%	0.0%	0.0%

1.10 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and must implement a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

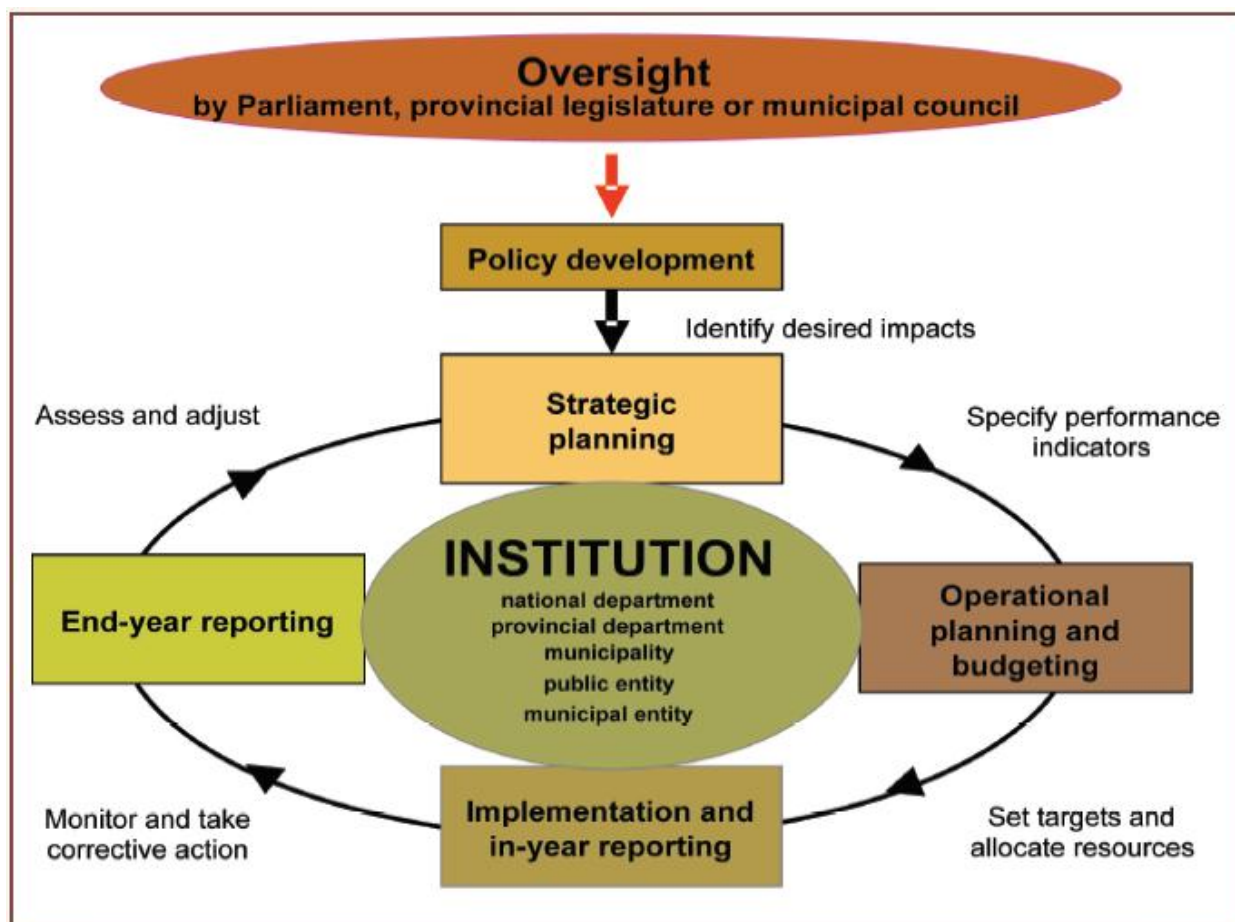


Figure 3 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

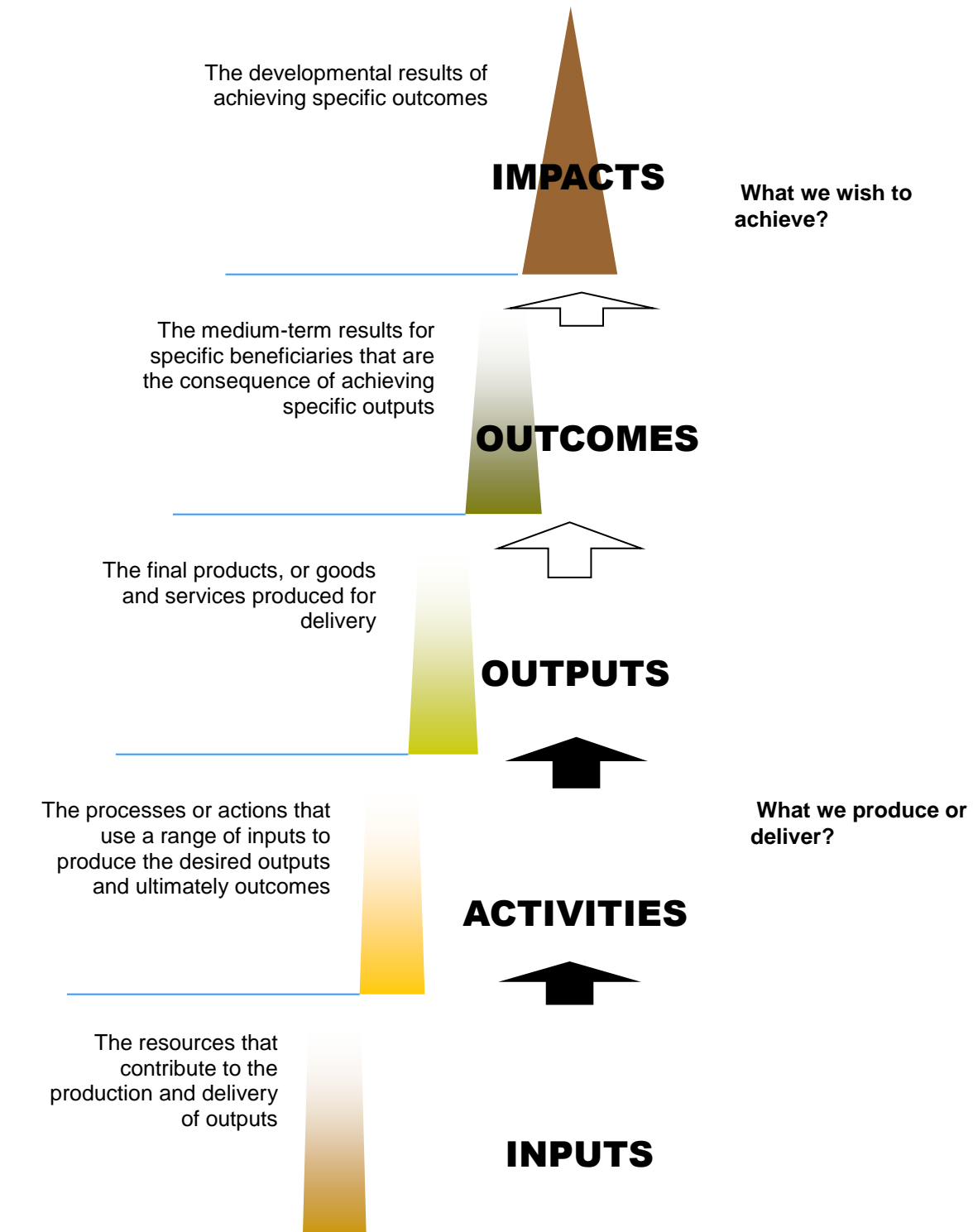


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31-32 MBRR Table SA7 - Measurable performance objectives

NC067 Khai-Ma - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Vote 4 - Infrastructure Development										
Function 1 - Infrastructure Development										
Sub-function 1 - Electricity										
INEP: Electricity connection	90 households	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%			0.0%
INEP: Electricity connection- In filled	98 Households							100.0%	0.0%	
Sub-function 2 - Water										
MIG: Upgrading of bulkwater (Pofadder)	Phase 1-2	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%			
WSIG: Replacement of asbestos water pipes	Phase 1			100.0%						
WSIG: Upgrading of bulkwater - Onseepkans	% households				100.0%	100.0%	100.0%			
MIG: Pella Water	% households							100.0%	0.0%	0.0%
Sub-function 3 - Roads										
EPWP: Upgrading of roads (Ward 4)	1Km	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%			
Sub-function 4 - Waste Water										
Upgrading of sewerage PUMPS-Access to	% households	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%			
Vote 1 - vote name										
Function 1 - Housing										
Sub-function 1 - Housing										
Provision of 384 Housing Units	% households	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 2 - Water										
Upgrading of water supply networks-Access to	% households	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 3 - Waste Water										
Upgrading of sewerage networks-Access to	% households	40.0%	40.0%	0.0%	0.0%	0.0%	0.0%			
Function 2 - Waste Management										
Sub-function 1 - Solid Waste										
Extension/New landfill sites		50.0%	50.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 2 - Electricity										
Provision of new electricity connections -	% households	30.0%	30.0%	0.0%	0.0%	0.0%	0.0%			
Sub-function 3 -Parks										
Upgrading of sport facilities	% Households	0.0%	0.0%	30.0%	95.0%	100.0%	100.0%	0.0%	0.0%	0.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2019/20 MTREF.

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

NC067 Khai-Ma - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>											
Credit Rating				1.75%	2.26%	2.26%	2.26%	2.26%			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.8%	4.3%	4.9%	2.3%	3.1%	3.1%	3.1%	2.8%	2.7%	2.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6.8%	9.4%	10.7%	6.1%	8.0%	8.0%	8.0%	6.8%	6.5%	6.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex.cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	41.1%	41.4%	41.7%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.2	0.3	0.2	0.5	0.2	0.1	0.1	0.0	0.0	(0.0)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.2	0.3	0.2	0.5	0.2	0.1	0.1	0.0	0.0	(0.0)
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.2	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		83.9%	68.9%	70.2%	79.2%	66.5%	66.5%	66.5%	79.9%	73.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		83.9%	68.9%	70.2%	79.2%	66.5%	66.5%	66.5%	79.9%	73.8%	90.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.6%	10.0%	14.8%	26.2%	7.2%	6.6%	6.6%	5.9%	10.8%	5.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	76.2%	76.2%	76.2%	76.2%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Creditors to Cash and Investments		1349.5%	472.3%	3454.5%	1974.3%	295.5%	295.5%	295.5%	-85.8%	-38.8%	-31.5%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	480 000	520 000	607	574	574	574	574	680	680	680
	Total Cost of Losses (Rand '000)	480	520	771	744	744	744	744	816	816	816
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.00%	10.00%	12.70%	12.97%	12.97%	12.97%	12.97%	13.00%	13.00%	13.00%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	200 003	200 003	376 116	369 822	369 822	369 822	369 822	604 000	604 000	604 000
	Total Cost of Losses (Rand '000)	740	780	2	2	2	2	2	1 369	1 369	1 369
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.00%	10.00%	27.22%	26.50%	26.50%	26.50%	26.50%	45.00%	45.00%	45.00%
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.6%	41.6%	41.1%	59.1%	56.0%	56.0%	56.0%	58.5%	59.6%	59.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	40.7%	46.4%	46.3%	65.9%	62.3%	62.3%		64.1%	65.3%	65.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.3%	2.4%	3.1%	4.1%	5.1%	5.1%		4.5%	4.5%	4.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.2%	12.9%	25.9%	9.5%	12.5%	12.5%	12.5%	10.1%	9.7%	9.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	54.6	38.4	17.5	10.1	10.1	10.1	8.2	10.0	7.5	7.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.9%	22.7%	34.8%	54.2%	15.2%	13.9%	13.9%	12.2%	22.1%	10.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	1.6	0.2	0.2	0.2	0.2	0.2	(3.1)	(6.4)	(8.2)

1.10.1 Performance indicators and benchmarks

1.10.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, borrowing strategy is primarily informed by the affordability of debt repayments.

1.10.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, over and tax provisions as a percentage of funds and reserves.
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 120 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

1.10.1.3 Creditors Management

- The municipality has not managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation.
- The electricity distribution losses have been increase from 10.54 per cent in the 2016/17 to 10,71 in 2017/2018 financial over the MTREF.
- The water distribution losses have been increase from 25.46 per cent in 2016/17 to 58 per cent in 2017/2018.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases

increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality strategy to ensure the management of its asset base.

1.10.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2019/20 financial year 1800 registered indigents have been provided for in the 2019/20 budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, one free drain pumping and free waste removal equivalent to 85¢ once a week.

1.10.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the municipalities bulk water needs are provided directly by Sedibeng in the form of purified water. The remaining 29 per cent is generated from the Orange river.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

1.11 Overview of budget related-policies

The municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.11.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2018. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed. The 2019/20 MTREF has been prepared on the basis of achieving an average debtor's collection rate of 80 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipalities cash levels.

1.11.2 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

1.11.3 Budget Policies

The Budget Policies aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipalities system of delegations.

1.11.4 Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.11.5 Tariff Policies

The municipalities tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

1.11.6 Financial Modelling and Scenario Planning

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2019/20 MTREF with the emphasis on affordability and long-term sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available at the municipality, as well as the following budget related policies:

- Property Rates Policy;
- Basic Social Services Package (Indigent Policy)

1.12 Overview of budget assumptions

1.12.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipalities finances.

1.12.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

1.12.3 Credit rating outlook

Table 34 Credit rating outlook

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

1.12.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

1.12.5 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. Year three is an across the board increase of CPI plus 1.5 per cent.

Actual costs budgeted of councillors allowance accordance the Gazette on the Remuneration of Public Officer Bearers Act.

1.12.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

1.12.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 70 per cent is achieved on operating expenditure and 75 per cent on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

1.13 Overview of budget funding

1.13.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 149
Service charges - electricity revenue	2	7 139	7 250	7 532	9 016	8 540	8 540	8 540	9 329	9 833	10 364
Service charges - water revenue	2	7 103	6 831	6 403	6 584	6 317	6 317	6 317	6 432	6 779	7 145
Service charges - sanitation revenue	2	1 122	1 053	1 291	1 043	1 309	1 309	1 309	1 377	1 452	1 530
Service charges - refuse revenue	2	864	953	1 094	1 091	1 191	1 191	1 191	1 242	1 310	1 380
Rental of facilities and equipment		145	182	214	187	187	187	187	195	205	217
Interest earned - external investments		313	388	660	200	200	200	200	200	211	222
Interest earned - outstanding debtors		1 594	2 258	2 885	1 996	3 676	3 676	3 676	3 881	4 090	4 311
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		24	31	55	42	77	77	77	82	86	91
Licences and permits		35	41	34	72	82	82	82	85	90	95
Agency services		193	236	243	179	179	179	179	—	—	—
Transfers and subsidies		18 046	20 059	20 083	22 104	21 104	21 104	21 104	24 110	25 106	26 963
Other revenue	2	684	2 980	5 239	27	30	30	30	31	33	34
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		40 467	46 340	50 786	47 606	48 161	48 161	48 161	55 200	57 875	61 501

Table 35 Breakdown of the operating revenue over the medium-term

NC067 Khai-Ma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Revenue and Expenditure Statement - Budgeted Financial Performance											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	13 931	15 673	17 432	18 114	18 230	18 230	18 230	18 930	19 952	21 029
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		10 727	11 595	12 379	13 048	12 960	12 960	12 960	10 694	11 271	11 880
Net Property Rates		3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 149
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	7 609	7 788	14 709	16 688	16 232	16 232	16 232	17 254	18 186	19 168
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		469	538	568	580	600	600	600	464	489	515
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	6 609	7 092	7 092	7 092	7 092	7 461	7 864	8 289
Net Service charges - electricity revenue		7 139	7 250	7 532	9 016	8 540	8 540	8 540	9 329	9 833	10 364
Service charges - water revenue											
Total Service charges - water revenue	6	10 344	10 330	18 251	19 126	18 314	18 314	18 314	18 669	19 677	20 740
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		3 242	3 499	4 462	4 763	4 218	4 218	4 218	4 054	4 273	4 504
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		—	—	7 387	7 778	7 778	7 778	7 778	8 183	8 625	9 091
Net Service charges - water revenue		7 103	6 831	6 403	6 584	6 317	6 317	6 317	6 432	6 779	7 145
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		3 046	3 161	5 606	5 816	5 959	5 959	5 959	6 315	6 656	7 015
less Revenue Foregone (in excess of free sanitation service to indigent households)		1 924	2 108	2 363	2 717	2 594	2 594	2 594	2 774	2 924	3 082
less Cost of Free Basis Services (free sanitation service to indigent households)		—	—	1 953	2 056	2 056	2 056	2 056	2 163	2 280	2 403
Net Service charges - sanitation revenue		1 122	1 053	1 291	1 043	1 309	1 309	1 309	1 377	1 452	1 530
Service charges - refuse revenue											
Total refuse removal revenue	6	2 870	3 175	6 689	7 039	7 139	7 139	7 139	7 477	7 880	8 306
Total landfill revenue		—	—	—	—	—	—	—	—	—	—
less Revenue Foregone (in excess of one removal a week to indigent households)		2 006	2 223	2 484	2 673	2 673	2 673	2 673	2 789	2 939	3 098
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	3 110	3 275	3 275	3 275	3 275	3 446	3 632	3 828
Net Service charges - refuse revenue		864	953	1 094	1 091	1 191	1 191	1 191	1 242	1 310	1 380
Other Revenue by source											
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Operational Revenue		631	2 892	5 227	16	16	16	16	17	18	19
Sales of Goods and Rendering of Services		39	71	12	10	13	13	13	14	15	15
Surcharges		15	18	—	—	—	—	—	—	—	—
Total 'Other' Revenue	1	684	2 980	5 239	27	30	30	30	31	33	34
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	10 467	14 201	12 907	18 810	17 954	17 954	17 954	20 290	21 639	23 078
Pension and UIF Contributions		1 099	1 458	2 250	2 591	2 559	2 559	2 559	3 198	3 411	3 637
Medical Aid Contributions		220	276	974	1 615	1 076	1 076	1 076	2 047	2 183	2 328
Overtime		682	986	1 613	1 684	2 010	2 010	2 010	2 641	2 816	3 003
Performance Bonus		544	748	1 013	1 184	1 184	1 184	1 184	1 413	1 507	1 607
Motor Vehicle Allowance		299	303	328	320	290	290	290	578	616	657
Cellphone Allowance		237	292	36	36	32	32	32	35	37	40
Housing Allowances		19	60	80	82	84	84	84	92	98	104
Other benefits and allowances		—	—	626	719	654	654	654	687	732	781
Payments in lieu of leave		401	660	178	167	167	167	167	179	190	203
Long service awards		61	66	76	82	45	45	45	138	147	157
Post-retirement benefit obligations		389	249	785	834	937	937	937	980	1 093	983
sub-total	5	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Less: Employees costs capitalised to PPE		—	—	—	—	—	—	—	—	—	—
Total Employee related costs	1	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Contributions recognised - capital											
List contributions by contract		—	—	—	—	—	—	—	—	—	—
Total Contributions recognised - capital		—	—	—	—	—	—	—	—	—	—

Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	6 251	3 401	9 856	2 997	3 859	3 859	3 859	3 462	3 462	3 462
Lease amortisation	—	—	—	—	—	—	—	—	—	—
Capital asset impairment	—	118	25	11	11	11	11	11	11	11
Depreciation resulting from revaluation of PPE	—	—	—	—	—	—	—	—	—	—
Total Depreciation & asset impairment	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Bulk purchases										
Electricity Bulk Purchases	7 441	7 100	7 942	8 158	8 558	8 558	8 558	9 375	10 134	10 663
Water Bulk Purchases	2 888	3 730	4 453	5 100	5 100	5 100	5 100	4 900	5 390	5 929
Total bulk purchases	10 329	10 830	12 394	13 258	13 658	13 658	13 658	14 275	15 524	16 592
Transfers and grants										
Cash transfers and grants	—	—	—	—	—	—	—	—	—	—
Non-cash transfers and grants	—	—	—	—	—	—	—	—	—	—
Total transfers and grants	—	—	—	—	—	—	—	—	—	—
Contracted services										
Consultants and Professional Services	729	1 287	1 364	1 658	1 480	1 480	1 480	1 124	1 185	1 249
Contractors	2 068	1 375	189	1 242	2 065	2 065	2 065	2 080	2 192	2 310
Outsourced Services	297	368	484	1 352	1 352	1 352	1 352	370	390	411
sub-total	3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Allocations to organs of state:										
Electricity	—	—	—	—	—	—	—	—	—	—
Water	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total contracted services	3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Other Expenditure By Type										
Collection costs	—	—	—	—	—	—	—	—	—	—
Contributions to 'other' provisions	—	—	—	—	—	—	—	—	—	—
Consultant fees	—	—	—	—	—	—	—	—	—	—
Audit fees	1 951	2 128	2 494	1 832	1 832	1 832	1 832	1 929	2 033	2 143
General ex penses	—	—	314	336	376	376	376	435	458	483
Departmental Recoveries/Vehicles	—	—	—	(1 935)	—	—	—	—	—	—
Printing, Publications and Books	—	—	56	57	76	76	76	81	86	90
Entertainment	24	26	28	39	48	48	48	44	47	49
Insurance	326	246	238	268	347	347	347	380	400	422
Skills Development Fund Levy	126	146	215	213	226	226	226	241	253	267
Ward Committees	116	146	150	240	240	240	240	240	253	267
Advertising, Publicity and Marketing	50	17	91	86	114	114	114	86	91	96
Travel and Subsistence	1 272	1 266	1 358	1 607	1 791	1 791	1 791	1 935	2 039	2 149
Registration Fees	—	—	—	—	—	—	—	—	—	—
Communication	348	355	488	510	662	662	662	697	735	774
Inventory Consumed	781	853	—	—	—	—	—	—	—	—
Bank Charges	175	224	265	265	265	265	265	280	295	311
Professional Bodies, Membership and Subscription	530	537	536	551	551	551	551	552	581	613
Wet Fuel	579	504	690	720	640	640	640	670	706	744
Licences	—	—	105	115	115	115	115	121	128	134
Levies Paid	—	—	110	116	116	116	116	122	129	136
Commission	368	385	363	380	403	403	403	425	448	472
Uniform and Protective Clothing	37	60	—	—	—	—	—	—	—	—
Workmen's Compensation Fund	77	121	—	—	—	—	—	—	—	—
Total 'Other' Expenditure	6 759	7 013	7 502	5 400	7 799	7 799	7 799	8 237	8 681	9 150
Repairs and Maintenance										
Employee related costs	—	—	—	—	—	—	—	—	—	—
Other materials	63	430	938	596	542	542	542	561	591	623
Contracted Services	867	679	654	1 354	1 897	1 897	1 897	1 898	2 000	2 108
Other Expenditure	—	17	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	930	1 127	1 591	1 951	2 440	2 440	2 440	2 459	2 591	2 731

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	400	400	400	400	400	400
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	400	400	400	400	400	400
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	400	400	400	400	400	400

The following graph is a breakdown of the operational revenue per main category for the 2019/20 financial year.

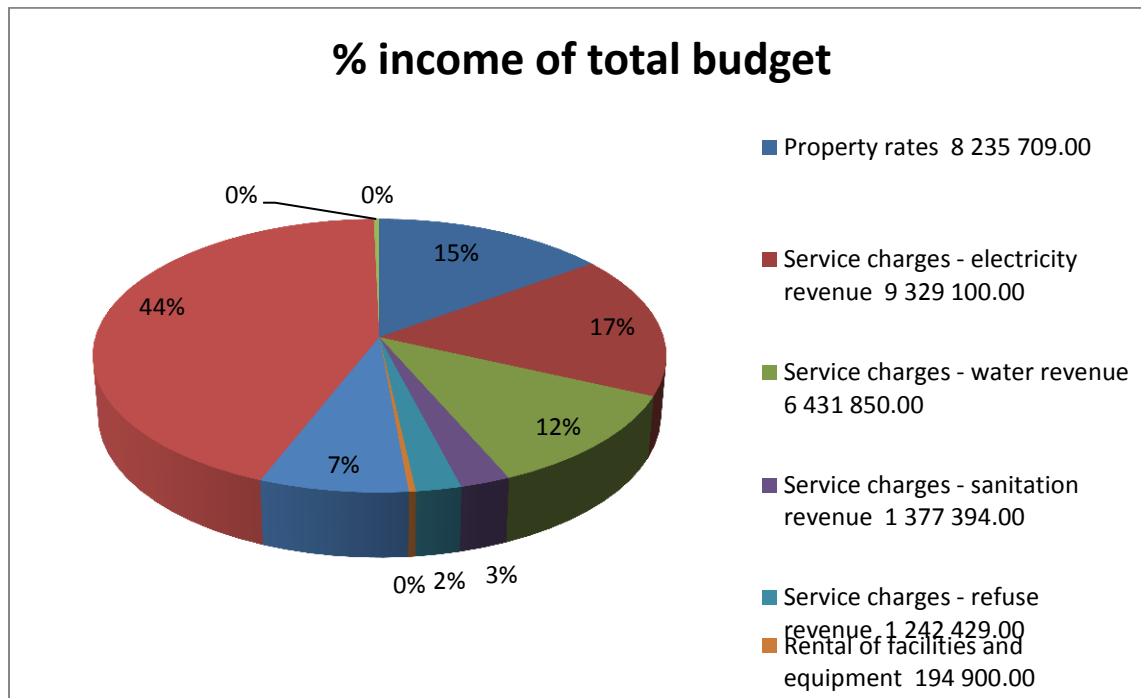


Figure 5 Breakdown of operating revenue over the 2019/20 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 80 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2019/20 MTREF on the different revenue categories are:

Table 36 Proposed tariff increases over the medium-term:

NC067 Khai-Ma - Supporting Table SA14 Household bills											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		823.90	869.17	896.62	931.18	931.18	931.18	(349.8%)	665.00	700.00	739.00
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		1 588.70	1 738.00	998.23	1 055.13	1 055.13	1 055.13	106.8%	2 043.00	2 153.32	2 269.60
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		345.00	372.00	396.00	418.57	418.57	418.57	2 089.7%	438.60	462.28	487.25
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		—	—	—	—	—	—	—	—	—	—
sub-total		3 065.80	3 315.07	2 656.77	2 795.42	2 795.42	2 795.42	27.2%	3 556.99	3 748.15	3 948.75
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total large household bill:		3 065.80	3 315.07	2 656.77	2 795.42	2 795.42	2 795.42	27.2%	3 556.99	3 748.15	3 948.75
% increase/-decrease			8.1%	(19.9%)	5.2%	—	—	27.2%	27.2%	5.4%	5.4%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		587.50	620.83	630.96	685.75	685.75	685.75	(325.4%)	475.00	501.00	528.00
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		794.35	869.00	885.30	935.76	935.76	935.76	1 091.4%	1 021.50	1 076.66	1 134.80
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		287.50	310.00	330.00	348.81	348.81	348.81	2 089.9%	365.50	385.24	406.04
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 977.55	2 135.73	2 212.18	2 360.86	2 360.86	2 360.86	(3.7%)	2 272.39	2 395.45	2 521.74
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		1 977.55	2 135.73	2 212.18	2 360.86	2 360.86	2 360.86	(3.7%)	2 272.39	2 395.45	2 521.74
% increase/-decrease			8.0%	3.6%	6.7%	—	—	(3.7%)	(3.7%)	5.4%	5.3%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		330.00	372.50	398.50	397.00	397.00	397.00	(354.5%)	285.00	300.00	317.00
Electricity: Basic levy		—	—	—	—	—	—	—	—	—	—
Electricity: Consumption		431.31	444.06	527.83	557.92	557.92	557.92	(468.8%)	438.90	462.60	487.58
Water: Basic levy		108.90	118.70	127.00	138.01	138.01	138.01	5 149.6%	140.69	148.29	153.29
Water: Consumption		161.00	173.60	264.00	279.04	279.04	279.04	(145.8%)	87.72	92.46	97.44
Sanitation		102.50	111.70	122.87	129.87	129.87	129.87	1 470.8%	138.70	146.19	154.08
Refuse removal		96.80	105.50	116.05	122.66	122.66	122.66	1 470.7%	131.00	138.07	145.53
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 230.51	1 326.06	1 556.25	1 624.50	1 624.50	1 624.50	(24.8%)	1 222.01	1 287.61	1 354.92
VAT on Services		—	—	—	—	—	—	—	—	—	—
Total small household bill:		1 230.51	1 326.06	1 556.25	1 624.50	1 624.50	1 624.50	(24.8%)	1 222.01	1 287.61	1 354.92
% increase/-decrease			7.8%	17.4%	4.4%	—	—	(24.8%)	(24.8%)	5.4%	5.2%

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	400	400	400	400	400	400
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	400	400	400	400	400	400
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	400	400	400	400	400	400

Table 38 MBRR SA16 – Investment particulars by maturity

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

1.13.2 Medium-term outlook: capital revenue

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	400	400	400	400	400	400
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	400	400	400	400	400	400
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	400	400	400	400	400	400

The following table is a breakdown of the funding composition of the 2019/20 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 004	6 586	17 556	27 356	34 883	34 883	34 883	10 079	8 824	9 140

The above table is graphically represented as follows for the 2019/20 financial year.

Figure 6 Sources of capital revenue for the 2019/20 financial year:

Table 40 MBRR Table SA 17 – Detail of Borrowing

NC067 Khai-Ma - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	11 500	11 500	11 500
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	29	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	29	-	-	-	-	11 500	11 500	11 500
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	29	-	-	-	-	11 500	11 500	11 500

All external fund are redeemed.

Table 41 MBRR Table SA 18 - Capital transfers and grant receipts

NC067 Khai-Ma - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		21 239	17 377	18 291	20 396	20 396	20 396	23 402	24 268	26 125
Local Government Equitable Share		17 571	15 552	16 391	17 420	17 420	17 420	18 953	20 365	21 927
Local Government Financial Management Grant [Schedule 5B]		1 740	1 825	1 900	1 970	1 970	1 970	2 435	2 867	3 131
Municipal Infrastructure Grant [Schedule 5B] (Sport)		-	-	-	1 006	1 006	1 006	1 014	1 036	1 067
Municipal Infrastructure Grant [Schedule 5B] (Municipal Water Infrastructure Grant [Schedule 5B])		-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal)		971	-	-	-	-	-	-	-	-
Science and Technology		27	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		-	-	-	-	-	-	1 000	-	-
Municipal Systems Improvement Grant [Schedule 5B]		930	-	-	-	-	-	-	-	-
Provincial Government:		1 035	2 056	1 867	1 708	1 708	1 708	708	838	838
Libraries, Archives and Museums - Library Services		1 035	1 134	867	708	708	708	708	838	838
Expanded Public Works Programme Integrated Grant		-	922	1 000	1 000	1 000	1 000	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
District Municipality:		25	33	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
		25	33	-	-	-	-	-	-	-
Other grant providers:		-	-	31	-	-	-	-	-	-
Vedanta Black Mountain		-	-	-	-	-	-	-	-	-
Construction, Education and Training SETA		-	-	31	-	-	-	-	-	-
Total Operating Transfers and Grants	5	22 298	19 465	20 189	22 104	22 104	22 104	24 110	25 106	26 963
Capital Transfers and Grants										
National Government:		7 606	6 586	13 825	13 356	13 883	13 883	10 079	8 824	9 140
Local Government Financial Management Grant [Schedule 5B]		60	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B] (Sport)		6 744	6 586	7 825	6 706	6 706	6 706	6 759	6 904	7 114
Municipal Infrastructure Grant [Schedule 5B] (Municipal Water Infrastructure Grant [Schedule 5B])		-	-	-	-	-	-	-	-	-
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	5 000	5 000	5 527	5 527	1 400	-	-
Integrated National Electrification Programme (Municipal)		529	-	1 000	1 650	1 650	1 650	1 920	1 920	2 026
Science and Technology		274	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management		-	-	-	-	-	-	-	-	-
Accelerated Community Infrastructure Programme		-	-	-	-	-	-	-	-	-
Department of Water & Sanitation		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	14 000	20 000	20 000	-	-	-
COGHTA		-	-	-	14 000	20 000	20 000	-	-	-
Department Sport Arts and Culture - Library Development		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme		-	-	-	-	-	-	-	-	-
Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Northern Cape - DC 06 - Namakwa		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Vedanta Black Mountain		-	-	-	-	-	-	-	-	-
Construction, Education and Training SETA		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	7 606	6 586	13 825	27 356	33 883	33 883	10 079	8 824	9 140
TOTAL RECEIPTS OF TRANSFERS & GRANTS		29 905	26 052	34 014	49 460	55 987	55 987	34 189	33 930	36 103

1.13.3 Cash Flow Management

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source																
Property rates		686	686	686	686	686	686	686	686	686	686	686	686	8 236	8 680	9 149
Service charges - electricity revenue		777	777	777	777	777	777	777	777	777	777	777	777	9 329	9 833	10 364
Service charges - water revenue		536	536	536	536	536	536	536	536	536	536	536	536	6 432	6 779	7 145
Service charges - sanitation revenue		115	115	115	115	115	115	115	115	115	115	115	115	1 377	1 452	1 530
Service charges - refuse revenue		104	104	104	104	104	104	104	104	104	104	104	104	1 242	1 310	1 380
Rental of facilities and equipment		16	16	16	16	16	16	16	16	16	16	16	16	195	205	217
Interest earned - external investments		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Interest earned - outstanding debtors		323	323	323	323	323	323	323	323	323	323	323	323	3 881	4 090	4 311
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7	7	7	7	7	7	7	7	7	7	7	7	82	86	91
Licences and permits		7	7	7	7	7	7	7	7	7	7	7	7	85	90	95
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		9 628	168	168	168	6 485	168	168	168	6 487	168	168	168	24 110	25 106	26 963
Other revenue		3	3	3	3	3	3	3	3	3	3	3	3	31	33	34
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		12 219	2 759	2 759	2 759	9 076	2 759	2 759	2 759	9 078	2 759	2 759	2 759	55 200	57 875	61 501
Expenditure By Type																
Employee related costs		2 572	2 572	2 572	2 572	3 985	2 572	2 572	2 572	2 572	2 572	2 572	2 572	32 274	34 468	36 578
Remuneration of councillors		259	259	259	259	259	259	259	259	259	259	259	259	3 110	3 317	3 538
Debt impairment		448	448	448	448	448	448	448	448	448	448	448	448	5 373	5 603	5 846
Depreciation & asset impairment		289	289	289	289	289	289	289	289	289	289	289	289	3 474	3 474	3 474
Finance charges		177	177	177	177	177	177	177	177	177	177	177	177	2 126	2 137	2 173
Bulk purchases		1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	14 275	15 524	16 692
Other materials		319	319	319	319	319	319	319	319	319	319	319	319	3 829	2 982	3 143
Contracted services		298	298	298	298	298	298	298	298	298	298	298	298	3 574	3 767	3 970
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		686	686	686	686	686	686	686	686	686	686	686	686	8 237	8 681	9 150
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		6 238	6 238	6 238	6 238	7 651	6 238	6 238	6 238	6 238	6 238	6 238	6 238	76 271	79 954	84 464
Surplus/(Deficit)		5 980	(3 480)	(3 480)	(3 480)	1 425	(3 480)	(3 480)	(3 480)	2 839	(3 480)	(3 480)	(3 479)	(21 071)	(22 079)	(22 962)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 208	4 726	3 886	4 504	4 216	4 216	4 216	6 589	6 944	7 319
Service charges		12 101	9 160	11 109	13 549	10 826	10 826	10 826	14 666	13 768	19 572
Other revenue		2 611	3 356	5 194	462	220	220	220	1 070	355	428
Government - operating	1	15 025	19 465	17 879	22 104	22 104	22 104	22 104	24 110	25 106	26 963
Government - capital	1	9 188	12 246	13 825	27 356	33 883	33 883	33 883	10 079	8 824	9 140
Interest		313	388	660	1 725	2 493	2 493	2 493	3 296	3 117	4 354
Dividends											
Payments											
Suppliers and employees		(37 554)	(36 952)	(37 988)	(43 205)	(41 075)	(41 075)	(41 075)	(65 253)	(67 132)	(69 760)
Finance charges		(626)	(1 356)	(1 663)					(2 125)	(2 087)	(2 077)
Transfers and Grants	1			(3 119)							
NET CASH FROM/(USED) OPERATING ACTIVITIES		5 266	11 034	9 784	26 496	32 668	32 668	32 668	(7 569)	(11 105)	(4 060)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 531)	(5 978)	(15 443)	(27 506)	(34 084)	(34 084)	(34 084)	(10 279)	(8 824)	(9 140)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		16	24	30	5	5	5	5	13	14	16
Payments											
Repayment of borrowing		(11)	(23)	(26)	(29)	(29)	(29)	(29)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		5	1	5	(23)	(23)	(23)	(23)	13	14	16
NET INCREASE/ (DECREASE) IN CASH HELD		740	5 057	(5 655)	(1 033)	(1 440)	(1 440)	(1 440)	(17 835)	(19 915)	(13 184)
Cash/cash equivalents at the year begin:	2	790	1 531	6 588	2 257	2 257	2 257	2 257	817	(17 018)	(36 933)
Cash/cash equivalents at the year end:	2	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2019/20 and 2021/22.

1.13.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A deficit would indicate the cash-backed accumulated surplus that was/is available.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Other current investments > 90 days		–	–	–	–	–	–	–	0	0	0
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(14 306)	7 160	6 116	(10 838)	(21 915)	615	615	12 240	10 289	13 171
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	16	16	16	16	16	16	16	16	16	16
Total Application of cash and investments:		(14 290)	7 176	6 132	(10 822)	(21 899)	631	631	12 257	10 305	13 187
Surplus(shortfall)		15 821	(588)	(5 199)	12 045	22 715	185	185	(29 275)	(47 239)	(63 305)

From the above table it can be seen that the cash and investments available total is in a shortfall of R29.2 million in the 2019/20 financial year and change to a shortfall of R47,2 million by 2020/19 and R63,3 Million by 2021/22, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

1.13.5 Funding compliance measurement:

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44 MBRR SA10 – Funding compliance measurement

NC067 Khai-Ma Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 531	6 588	933	1 223	817	817	817	(17 018)	(36 933)	(50 118)
Cash + investments at the yr end less applications - R'000	18(1)b	2	15 821	(588)	(5 199)	12 045	22 715	185	185	(29 275)	(47 239)	(63 305)
Cash year end/monthly employee/supplier payments	18(1)b	3	0.4	1.6	0.2	0.2	0.2	0.2	0.2	(3.1)	(6.4)	(8.2)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(7 810)	(4 973)	1 008	6 103	12 978	12 978	12 978	(10 805)	(13 067)	(13 635)
Service charge rev. % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(2.2%)	(0.0%)	0.7%	(6.8%)	(6.0%)	(6.0%)	11.6%	(0.6%)	(0.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	85.6%	66.6%	67.2%	73.2%	56.8%	56.8%	56.8%	72.3%	64.7%	79.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	50.0%	46.6%	41.9%	21.9%	22.1%	22.1%	22.1%	20.2%	20.0%	19.8%
Capital payments % of capital expenditure	18(1)c,(19)	8	54.7%	84.6%	69.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	7.4%	62.7%	66.1%	(72.2%)	(8.6%)	0.0%	(5.8%)	91.4%	(47.8%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.8%	1.2%	1.5%	1.2%	1.4%	1.8%	1.8%	1.7%	1.8%	1.8%
Asset renew al % of capital budget	20(1)(vi)	14	0.5%	2.3%	13.3%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1.13.5.1 Cash/cash equivalent position

The municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'negative' cash position, for 2019/20 and 2021/22 year of the MTREF has been discussed and these funds are not cash-backing and do not meet the requirements to the working capital.

1.13.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25.

1.13.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.13.5.4 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

1.13.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.13.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

1.13.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

All longterm laons were redeemed.

1.13.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

1.13.5.9 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables.

1.13.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

1.13.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

1.14 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

NC067 Khai-Ma - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		21 239	20 062	18 291	20 396	20 396	20 396	23 402	24 268	26 125
Local Government Equitable Share		17 571	15 552	16 391	17 420	17 420	17 420	18 953	20 365	21 927
Local Government Financial Management Grant [Schedule 5B]		1 740	1 825	1 900	1 970	1 970	1 970	2 435	2 867	3 131
Municipal Infrastructure Grant [Schedule 5B]		—	1 895	—	1 006	1 006	1 006	1 014	1 036	1 067
Municipal Infrastructure Grant [Schedule 5B] (Sport)		—	—	—	—	—	—	—	—	—
Municipal Water Infrastructure Grant [Schedule 5B]		—	—	—	—	—	—	—	—	—
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		971	—	—	—	—	—	—	—	—
Science and Technology		27	—	—	—	—	—	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		—	—	—	—	—	—	1 000	—	—
Municipal Systems Improvement Grant [Schedule 5B]		930	790	—	—	—	—	—	—	—
Provincial Government:		1 035	2 180	1 715	1 708	1 708	1 708	708	838	838
Libraries, Archives and Museums - Library Service		1 035	1 180	813	708	708	708	708	838	838
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		—	1 000	903	1 000	1 000	1 000	—	—	—
—		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Municipal Systems Improvement Grant [Schedule 5B]		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Northern Cape - DC 06 - Namakwa		—	—	—	—	—	—	—	—	—
Other grant providers:		68	80	76	—	—	—	—	—	—
Vedanta Black Mountain		68	—	—	—	—	—	—	—	—
Construction, Education and Training SETA		—	80	76	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		22 342	22 322	20 083	22 104	22 104	22 104	24 110	25 106	26 963
Capital expenditure of Transfers and Grants										
National Government:		7 606	13 535	17 556	13 356	13 883	13 883	10 079	8 824	9 140
Local Government Financial Management Grant [Schedule 5B]		60	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant [Schedule 5B]		6 744	13 535	12 587	6 706	6 706	6 706	6 759	6 904	7 114
Municipal Infrastructure Grant [Schedule 5B] (Sport)		—	—	—	—	—	—	—	—	—
Municipal Water Infrastructure Grant [Schedule 5B]		—	—	3 986	5 000	5 527	5 527	1 400	—	—
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		529	—	983	1 650	1 650	1 650	1 920	1 920	2 026
Science and Technology		274	—	—	—	—	—	—	—	—
Energy Efficiency and Demand Side Management		—	—	—	—	—	—	—	—	—
Accelerated Community Infrastructure Programme		—	—	—	—	—	—	—	—	—
Department of Water & Sanitation		—	—	—	—	—	—	—	—	—
Municipal Systems Improvement Grant [Schedule 5B]		—	—	—	—	—	—	—	—	—
Provincial Government:		—	—	—	14 000	20 000	20 000	—	—	—
COGHTA		—	—	—	14 000	20 000	20 000	—	—	—
Department Sport Arts and Culture - Library Development		—	150	—	—	—	—	—	—	—
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Northern Cape - DC 06 - Namakwa		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Vedanta Black Mountain		—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants		7 606	13 535	17 556	27 356	33 883	33 883	10 079	8 824	9 140
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		29 948	35 857	37 639	49 460	55 987	55 987	34 189	33 930	36 103

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NC067 Khai-Ma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(4 252)	—	—	—	—	—	—	—	—
Current year receipts		21 239	17 377	18 291	20 396	20 396	20 396	23 402	24 268	26 125
Conditions met - transferred to revenue		16 987	17 377	18 291	20 396	20 396	20 396	23 402	24 268	26 125
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Provincial Government:										
Balance unspent at beginning of the year		463	463	(106)	—	(1 000)	(1 000)	—	—	—
Current year receipts		1 035	2 056	1 867	1 708	1 708	1 708	708	838	838
Conditions met - transferred to revenue		1 035	2 649	1 761	1 708	708	708	708	838	838
Conditions still to be met - transferred to liabilities		463	(131)	—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		25	33	—	—	—	—	—	—	—
Conditions met - transferred to revenue		25	33	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	31	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	31	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Total operating transfers and grants revenue		18 046	20 059	20 083	22 104	21 104	21 104	24 110	25 106	26 963
Total operating transfers and grants - CTBM	2	463	(131)	—	—	—	—	—	—	—
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		1 900	584	1 299	—	—	—	—	—	—
Current year receipts		7 606	6 586	13 825	13 356	13 883	13 883	10 079	8 824	9 140
Conditions met - transferred to revenue		8 208	5 872	15 124	13 356	13 883	13 883	10 079	8 824	9 140
Conditions still to be met - transferred to liabilities		1 299	1 299	—	—	—	—	—	—	—
Provincial Government:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	14 000	20 000	20 000	—	—	—
Conditions met - transferred to revenue		—	—	—	14 000	20 000	20 000	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Total capital transfers and grants revenue		8 208	5 872	15 124	27 356	33 883	33 883	10 079	8 824	9 140
Total capital transfers and grants - CTBM	2	1 299	1 299	—	—	—	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE		26 254	25 931	35 207	49 460	54 987	54 987	34 189	33 930	36 103
TOTAL TRANSFERS AND GRANTS - CTBM		1 761	1 168	—	—	—	—	—	—	—

1.15 Councillor and employee benefits

Table 47 MBRR SA22 - Summary of councillor and staff benefits

NC067 Khai-Ma - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	1 414	1 480	1 566	1 750	1 700	1 700	1 803	1 923	2 051
Pension and UIF Contributions		–	–	122	315	315	315	135	144	154
Medical Aid Contributions		–	–	104	284	142	142	284	303	323
Motor Vehicle Allowance		473	493	188	201	196	196	207	221	236
Cellphone Allowance		154	144	311	308	292	292	287	306	326
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	97	372	382	377	377	394	420	448
Sub Total - Councillors		2 042	2 214	2 662	3 241	3 023	3 023	3 110	3 317	3 538
% increase	4		8.5%	20.2%	21.7%	(6.7%)	–	2.9%	6.6%	6.7%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	1 559	1 459	2 038	3 323	2 433	2 433	2 744	2 927	3 121
Pension and UIF Contributions		74	63	102	103	103	103	312	333	355
Medical Aid Contributions		56	46	48	50	50	50	161	172	184
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		141	28	42	47	47	47	134	143	153
Motor Vehicle Allowance	3	308	122	135	121	121	121	390	416	444
Cellphone Allowance	3	–	18	27	30	27	27	29	31	33
Housing Allowances	3	–	–	24	24	18	18	–	–	–
Other benefits and allowances	3	161	28	197	227	85	85	79	84	90
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		2 299	1 763	2 614	3 926	2 885	2 885	3 850	4 106	4 379
% increase	4		(23.3%)	48.2%	50.2%	(26.5%)	–	33.5%	6.7%	6.7%
Other Municipal Staff										
Basic Salaries and Wages		6 542	12 614	10 869	15 487	15 520	15 520	17 546	18 712	19 957
Pension and UIF Contributions		1 264	1 395	2 149	2 488	2 456	2 456	2 886	3 078	3 283
Medical Aid Contributions		429	230	927	1 564	1 025	1 025	1 885	2 010	2 144
Overtime		810	986	1 613	1 684	2 010	2 010	2 641	2 816	3 003
Performance Bonus		718	721	972	1 137	1 137	1 137	1 278	1 363	1 454
Motor Vehicle Allowance	3	126	181	193	199	169	169	188	200	214
Cellphone Allowance	3	–	274	8	6	6	6	6	6	6
Housing Allowances	3	15	60	56	58	66	66	92	98	104
Other benefits and allowances	3	1 351	99	429	492	569	569	607	648	691
Payments in lieu of leave		345	660	178	167	167	167	179	190	203
Long service awards		61	66	70	75	9	9	25	27	28
Post-retirement benefit obligations	6	461	249	791	841	974	974	1 092	1 213	1 111
Sub Total - Other Municipal Staff		12 121	17 536	18 255	24 199	24 109	24 109	28 424	30 362	32 199
% increase	4		44.7%	4.1%	32.6%	(0.4%)	–	17.9%	6.8%	6.0%
Total Parent Municipality		16 462	21 514	23 530	31 366	30 016	30 016	35 384	37 785	40 115
			30.7%	9.4%	33.3%	(4.3%)	–	17.9%	6.8%	6.2%
TOTAL SALARY, ALLOWANCES & BENEFITS		16 462	21 514	23 530	31 366	30 016	30 016	35 384	37 785	40 115
% increase	4		30.7%	9.4%	33.3%	(4.3%)	–	17.9%	6.8%	6.2%
TOTAL MANAGERS AND STAFF	5.7	14 420	19 300	20 868	28 125	26 994	26 994	32 274	34 468	36 578

Table 48 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC067 Khai-Ma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		-	-	-			-
Chief Whip			-	-	-			-
Executive Mayor			-	-	41 000			41 000
Deputy Executive Mayor			-	-	-			-
Executive Committee			622 000	-	207 330			829 330
Total for all other councillors			1 181 030	419 230	639 672			2 239 932
Total Councillors	8	-	1 803 030	419 230	888 002			3 110 262
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			1 131 560	-	91 210	-		1 222 770
Chief Finance Officer			537 500	157 730	180 490	-		875 720
Corporate Manager			537 500	157 730	180 482	-		875 712
Infrastructure Manager			537 500	170 758	167 492	-		875 750
Total Senior Managers of the Municipality	8,10	-	2 744 060	486 218	619 674	-		3 849 952
<u>A Heading for Each Entity</u>	6,7							
List each member of board by designation			-	-	-	-		-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	4 547 090	905 448	1 507 676	-		6 960 214

Table 49 MBRR SA24 – Summary of personnel numbers

NC067 Khai-Ma - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			7	7	–	7	7	–	7	7	–
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers	3		4	4	–	4	4	–	4	4	–
Other Managers	7		–	–	–	–	–	–	–	–	–
Professionals			6	6	–	6	6	–	6	10	–
Finance			2	6	–	2	6	–	2	6	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			4	–	–	4	–	–	4	4	–
Technicians			1	1	–	1	1	–	1	1	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			1	1	–	1	1	–	1	1	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)			35	35	–	35	35	–	38	38	–
Service and sales workers			–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			11	11	–	11	11	–	–	–	–
Elementary Occupations			35	35	–	35	35	–	35	35	–
TOTAL PERSONNEL NUMBERS	9		99	99	–	99	99	–	91	95	–
% increase						–	–	–	(8.1%)	(4.0%)	–
Total municipal employees headcount	6, 10		99	99	–	99	99	–	91	95	–
Finance personnel headcount	8, 10		14	14	–	14	14	–	13	13	–
Human Resources personnel headcount	8, 10		85	85	–	85	85	–	78	82	–

1.16 Monthly targets for revenue, expenditure and cash flow

NC067 Khai-Ma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																	
Description		Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional																	
Governance and administration			9 483	731	731	731	7 048	731	731	731	7 050	731	731	731	30 165	32 483	34 809
Executive and council			6 317	—	—	—	6 317	—	—	—	6 319	—	—	(0)	18 953	20 365	21 927
Finance and administration			3 166	731	731	731	731	731	731	731	731	731	731	731	11 212	12 118	12 882
Internal audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety			689	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	483	601	588
Community and social services			707	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	692	821	820
Sport and recreation			(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(209)	(221)	(233)
Public safety			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services			(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(142)	(149)	(157)
Planning and development			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Road transport			(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(142)	(149)	(157)
Environmental protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services			2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	34 773	33 765	35 403
Energy sources			994	994	994	994	994	994	994	994	994	994	994	994	11 932	12 473	13 148
Water management			1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	17 862	17 836	18 612
Waste water management			286	286	286	286	286	286	286	286	286	286	286	286	3 426	1 819	1 917
Waste management			129	129	129	129	129	129	129	129	129	129	129	129	1 553	1 637	1 725
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional			13 059	3 599	3 599	3 599	9 916	3 599	3 599	3 599	9 918	3 599	3 599	3 599	65 279	66 699	70 641
Expenditure - Functional																	
Governance and administration			2 393	2 393	2 393	2 393	3 203	2 393	2 393	2 393	2 393	2 393	2 393	2 393	29 522	31 374	33 137
Executive and council			743	743	743	743	925	743	743	743	743	743	743	743	9 100	9 671	10 278
Finance and administration			1 649	1 649	1 649	1 649	2 278	1 649	1 649	1 649	1 649	1 649	1 649	1 649	20 422	21 703	22 859
Internal audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety			233	233	233	233	294	233	233	233	233	233	233	233	2 861	3 021	3 192
Community and social services			184	184	184	184	235	184	184	184	184	184	184	184	2 256	2 394	2 541
Sport and recreation			50	50	50	50	59	50	50	50	50	50	50	50	604	627	652
Public safety			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services			302	302	302	302	406	302	302	302	302	302	302	302	3 724	3 907	4 101
Planning and development			100	100	100	100	160	100	100	100	100	100	100	100	1 263	1 344	1 429
Road transport			201	201	201	201	246	201	201	201	201	201	201	201	2 461	2 563	2 672
Environmental protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services			3 311	3 311	3 311	3 311	3 748	3 311	3 311	3 311	3 311	3 311	3 311	3 311	40 164	41 652	44 033
Energy sources			1 213	1 213	1 213	1 213	1 249	1 213	1 213	1 213	1 213	1 213	1 213	1 213	14 589	15 501	16 191
Water management			1 108	1 108	1 108	1 108	1 241	1 108	1 108	1 108	1 108	1 108	1 108	1 108	13 426	14 387	15 425
Waste water management			510	510	510	510	643	510	510	510	510	510	510	510	6 250	5 561	5 891
Waste management			481	481	481	481	614	481	481	481	481	481	481	481	5 900	6 203	6 526
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional			6 238	6 238	6 238	6 238	7 651	6 238	6 238	6 238	6 238	6 238	6 238	6 238	76 271	79 954	84 464
Surplus/(Deficit) before assoc.			6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(2 639)	(10 992)	(13 255)	(13 822)
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)		1	6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(2 639)	(10 992)	(13 255)	(13 822)

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure																		
Description		Ref	Budget Year 2019/20											Medium Term Revenue and Expenditure Framework				
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Revenue By Source																		
Property rates			686	686	686	686	686	686	686	686	686	686	686	686	8 236	8 680	9 149	
Service charges - electricity revenue			777	777	777	777	777	777	777	777	777	777	777	777	9 329	9 833	10 364	
Service charges - water revenue			536	536	536	536	536	536	536	536	536	536	536	536	6 432	6 779	7 145	
Service charges - sanitation revenue			115	115	115	115	115	115	115	115	115	115	115	115	1 377	1 452	1 530	
Service charges - refuse revenue			104	104	104	104	104	104	104	104	104	104	104	104	1 242	1 310	1 380	
Rental of facilities and equipment			16	16	16	16	16	16	16	16	16	16	16	16	195	205	217	
Interest earned - external investments			17	17	17	17	17	17	17	17	17	17	17	17	200	211	222	
Interest earned - outstanding debtors			323	323	323	323	323	323	323	323	323	323	323	323	3 881	4 090	4 311	
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			7	7	7	7	7	7	7	7	7	7	7	7	82	86	91	
Licences and permits			7	7	7	7	7	7	7	7	7	7	7	7	85	90	95	
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies			9 628	168	168	168	6 485	168	168	168	6 487	168	168	168	24 110	25 106	26 963	
Other revenue			3	3	3	3	3	3	3	3	3	3	3	3	31	33	34	
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			12 219	2 759	2 759	2 759	9 076	2 759	2 759	2 759	9 078	2 759	2 759	2 759	55 200	57 875	61 501	
Expenditure By Type																		
Employee related costs			2 572	2 572	2 572	2 572	3 985	2 572	2 572	2 572	2 572	2 572	2 572	2 572	32 274	34 468	36 578	
Remuneration of councillors			259	259	259	259	259	259	259	259	259	259	259	259	3 110	3 317	3 538	
Debt impairment			448	448	448	448	448	448	448	448	448	448	448	448	5 373	5 603	5 846	
Depreciation & asset impairment			289	289	289	289	289	289	289	289	289	289	289	289	3 474	3 474	3 474	
Finance charges			177	177	177	177	177	177	177	177	177	177	177	177	2 126	2 137	2 173	
Bulk purchases			1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	1 190	14 275	15 524	16 592	
Other materials			319	319	319	319	319	319	319	319	319	319	319	319	3 829	2 982	3 143	
Contracted services			298	298	298	298	298	298	298	298	298	298	298	298	3 574	3 767	3 970	
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure			686	686	686	686	686	686	686	686	686	686	686	686	8 237	8 681	9 150	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure			6 238	6 238	6 238	6 238	7 651	6 238	6 238	6 238	6 238	6 238	6 238	6 238	76 271	79 954	84 464	
Surplus/(Deficit)																		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions			6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)	
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)			1	6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue by Vote																
Vote 1 - Municipal Manager		6 317	–	–	–	6 317	–	–	–	6 319	–	–	(0)	18 953	20 365	21 927
Vote 2 - Finance		3 183	748	748	748	748	748	748	748	748	748	748	748	11 410	12 326	13 101
Vote 3 - Corporate Services		707	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	695	824	823
Vote 4 - Infrastructure Development		2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	2 852	34 222	33 184	34 790
Vote 5 - Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		13 059	3 599	3 599	3 599	9 916	3 599	3 599	3 599	9 918	3 599	3 599	3 599	65 279	66 699	70 641
Expenditure by Vote to be appropriated																
Vote 1 - Municipal Manager		743	743	743	743	925	743	743	743	743	743	743	743	9 100	9 671	10 278
Vote 2 - Finance		812	812	812	812	1 002	812	812	812	812	812	812	812	9 934	10 527	11 165
Vote 3 - Corporate Services		1 067	1 067	1 067	1 067	1 557	1 067	1 067	1 067	1 067	1 067	1 067	1 067	13 289	14 159	14 856
Vote 4 - Infrastructure Development		3 516	3 516	3 516	3 516	4 007	3 516	3 516	3 516	3 516	3 516	3 516	3 516	42 685	44 253	46 735
Vote 5 - Economic Development		100	100	100	100	160	100	100	100	100	100	100	100	1 263	1 344	1 429
Total Expenditure by Vote		6 238	6 238	6 238	6 238	7 651	6 238	6 238	6 238	6 238	6 238	6 238	6 238	76 271	79 954	84 464
Surplus/(Deficit) before assoc.		6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
Revenue - Functional																
Governance and administration		9 483	731	731	731	7 048	731	731	731	7 050	731	731	731	30 165	32 483	34 809
Executive and council		6 317	—	—	—	6 317	—	—	—	6 319	—	—	(0)	18 953	20 365	21 927
Finance and administration		3 166	731	731	731	731	731	731	731	731	731	731	731	11 212	12 118	12 882
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		689	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	483	601	588
Community and social services		707	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	692	821	820
Sport and recreation		(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(17)	(209)	(221)	(233)
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(142)	(149)	(157)
Planning and development		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Road transport		(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(142)	(149)	(157)
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	2 898	34 773	33 765	35 403
Energy sources		994	994	994	994	994	994	994	994	994	994	994	994	11 932	12 473	13 148
Water management		1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	1 489	17 862	17 836	18 612
Waste water management		286	286	286	286	286	286	286	286	286	286	286	285	3 426	1 819	1 917
Waste management		129	129	129	129	129	129	129	129	129	129	129	129	1 553	1 637	1 725
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		13 059	3 599	3 599	3 599	9 916	3 599	3 599	3 599	9 918	3 599	3 599	3 599	65 279	66 699	70 641
Expenditure - Functional																
Governance and administration		2 393	2 393	2 393	2 393	3 203	2 393	2 393	2 393	2 393	2 393	2 393	2 393	29 522	31 374	33 137
Executive and council		743	743	743	743	925	743	743	743	743	743	743	743	9 100	9 671	10 278
Finance and administration		1 649	1 649	1 649	1 649	2 278	1 649	1 649	1 649	1 649	1 649	1 649	1 649	20 422	21 703	22 859
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		233	233	233	233	294	233	233	233	233	233	233	233	2 861	3 021	3 192
Community and social services		184	184	184	184	235	184	184	184	184	184	184	184	2 256	2 394	2 541
Sport and recreation		50	50	50	50	59	50	50	50	50	50	50	50	604	627	652
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		302	302	302	302	406	302	302	302	302	302	302	302	3 724	3 907	4 101
Planning and development		100	100	100	100	160	100	100	100	100	100	100	100	1 263	1 344	1 429
Road transport		201	201	201	201	246	201	201	201	201	201	201	201	2 461	2 563	2 672
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		3 311	3 311	3 311	3 311	3 748	3 311	3 311	3 311	3 311	3 311	3 311	3 311	40 164	41 652	44 033
Energy sources		1 213	1 213	1 213	1 213	1 249	1 213	1 213	1 213	1 213	1 213	1 213	1 213	14 589	15 501	16 191
Water management		1 108	1 108	1 108	1 108	1 241	1 108	1 108	1 108	1 108	1 108	1 108	1 108	13 426	14 387	15 425
Waste water management		510	510	510	510	643	510	510	510	510	510	510	510	6 250	5 561	5 891
Waste management		481	481	481	481	614	481	481	481	481	481	481	480	5 900	6 203	6 526
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		6 238	6 238	6 238	6 238	7 651	6 238	6 238	6 238	6 238	6 238	6 238	6 238	76 271	79 954	84 464
Surplus/(Deficit) before assoc.		6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	6 820	(2 640)	(2 640)	(2 640)	2 265	(2 640)	(2 640)	(2 640)	3 679	(2 640)	(2 640)	(2 639)	(10 992)	(13 255)	(13 822)

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Multi-year expenditure to be appropriated	1															
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Municipal Manager		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		623	623	623	623	623	623	623	623	623	623	623	623	7 479	8 824	9 140
Vote 5 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	640	640	640	640	640	640	640	640	640	640	640	640	7 679	8 824	9 140
Total Capital Expenditure	2	640	640	640	640	640	640	640	640	640	640	640	640	7 679	8 824	9 140

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital Expenditure - Functional	1															
Governance and administration		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Executive and council		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140
Energy sources		160	160	160	160	160	160	160	160	160	160	160	160	1 920	1 920	2 026
Water management		622	622	622	622	622	622	622	622	622	622	622	622	7 459	6 904	7 114
Waste water management		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	857	857	857	857	857	857	857	857	857	857	857	857	10 279	8 824	9 140
Funded by:																
National Government		840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
Total Capital Funding		857	857	857	857	857	857	857	857	857	857	857	857	10 279	8 824	9 140

Table 55 MBRR SA30 - Budgeted monthly cash flow

NC067 Khai-Ma - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand															
Cash Receipts By Source													1		
Property rates	549	549	549	549	549	549	549	549	549	549	549	549	6 589	6 944	7 319
Service charges - electricity revenue	620	620	620	620	620	620	620	620	620	620	620	620	7 443	6 988	9 934
Service charges - water revenue	428	428	428	428	428	428	428	428	428	428	428	428	5 132	4 818	6 849
Service charges - sanitation revenue	92	92	92	92	92	92	92	92	92	92	92	92	1 099	1 032	1 467
Service charges - refuse revenue	83	83	83	83	83	83	83	83	83	83	83	83	991	931	1 323
Rental of facilities and equipment	13	13	13	13	13	13	13	13	13	13	13	13	156	146	208
Interest earned - external investments	17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Interest earned - outstanding debtors	258	258	258	258	258	258	258	258	258	258	258	258	3 096	2 907	4 132
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32	32	32	32	32	32	32	32	32	32	32	32	378	86	91
Licences and permits	33	33	33	33	33	33	33	33	33	33	33	33	394	90	95
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	9 628	168	168	168	6 485	168	168	168	6 487	168	168	168	24 110	25 106	26 963
Other revenue	12	12	12	12	12	12	12	12	12	12	12	12	142	33	34
Cash Receipts by Source	11 763	2 303	2 303	2 303	8 620	2 303	2 303	2 303	8 622	2 303	2 303	2 303	49 730	49 290	58 637
Other Cash Flows by Source															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	840	840	840	840	840	840	840	840	840	840	840	840	10 079	8 824	9 140
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	13	13	14	16
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	12 603	3 143	3 143	3 143	9 460	3 143	3 143	3 143	9 462	3 143	3 143	3 156	59 822	58 129	67 792
Cash Payments by Type															
Employee related costs	2 570	2 570	2 570	2 570	3 982	2 570	2 570	2 570	2 570	2 570	2 570	2 570	32 252	33 662	34 968
Remuneration of councillors	259	259	259	259	259	259	259	259	259	259	259	259	3 108	3 240	3 382
Finance charges	177	177	177	177	177	177	177	177	177	177	177	177	2 125	2 087	2 077
Bulk purchases - Electricity	781	781	781	781	781	781	781	781	781	781	781	781	9 368	9 897	10 194
Bulk purchases - Water & Sewer	408	408	408	408	408	408	408	408	408	408	408	408	4 897	5 264	5 668
Other materials	319	319	319	319	319	319	319	319	319	319	319	319	3 826	2 912	3 005
Contracted services	298	298	298	298	298	298	298	298	298	298	298	298	3 571	3 679	3 795
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	686	686	686	686	686	686	686	686	686	686	686	686	8 231	8 478	8 748
Cash Payments by Type	5 497	5 497	5 497	5 497	6 909	5 497	5 497	5 497	5 497	5 497	5 497	5 497	67 378	69 219	71 837
Other Cash Flows/Payments by Type															
Capital assets	857	857	857	857	857	857	857	857	857	857	857	857	10 279	8 824	9 140
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	6 354	6 354	6 354	6 354	7 766	6 354	6 354	6 354	6 354	6 354	6 354	6 354	77 657	78 044	80 977
NET INCREASE/(DECREASE) IN CASH HELD	6 249	(3 211)	(3 211)	(3 211)	1 694	(3 211)	(3 211)	(3 211)	3 108	(3 211)	(3 211)	(3 198)	(17 835)	(19 915)	(13 184)
Cash/cash equivalents at the month/year begin:	817	7 066	3 855	644	(2 567)	(873)	(4 084)	(7 295)	(10 506)	(7 398)	(10 610)	(13 821)	817	(17 018)	(36 933)
Cash/cash equivalents at the month/year end:	7 066	3 855	644	(2 567)	(873)	(4 084)	(7 295)	(10 506)	(7 398)	(10 610)	(13 821)	(17 018)	(17 018)	(36 933)	(50 118)

1.17 Annual budgets and SDBIPs – internal departments

1.17.1 Water Services Department –

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

NC067 Khai-Ma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional										
<i>Trading services</i>										
Water management		8 525	9 630	8 700	9 747	10 981	10 981	10 403	10 932	11 498
Total Revenue - Functional	2	8 525	9 630	8 700	9 747	10 981	10 981	10 403	10 932	11 498
Expenditure - Functional										
<i>Trading services</i>										
Water management		12 700	8 971	11 718	13 303	15 005	15 005	13 426	14 387	15 425
Total Expenditure - Functional	3	12 700	8 971	11 718	13 303	15 005	15 005	13 426	14 387	15 425
Surplus/(Deficit) for the year		(4 176)	659	(3 018)	(3 556)	(4 024)	(4 024)	(3 023)	(3 455)	(3 927)

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

1.18 Contracts having future budgetary implications

In terms of the municipalities Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.19 Capital expenditure details

The following three tables present details of the municipalities capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 57 Water Service Department – Performance objectives and Indicators

Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class:

NC067 Khai-Ma - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		8 143	6 617	19 110	1 650	31 273	31 273	8 679	8 824	9 140
Roads Infrastructure		3 549	4 426	–	–	–	–	–	–	–
Roads		3 549	4 426	–	–	–	–	–	–	–
Electrical Infrastructure		529	–	199	1 650	1 650	1 650	1 920	1 920	2 026
LV Networks		529	–	199	1 650	1 650	1 650	1 920	1 920	2 026
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		48	1 184	12 077	–	27 124	27 124	6 759	6 904	7 114
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	12 077	–	27 124	27 124	6 759	6 904	7 114
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		48	–	–	–	–	–	–	–	–
Distribution		–	1 184	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	2 499	2 499	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	2 499	2 499	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		4 017	1 007	6 834	–	–	–	–	–	–
Landfill Sites		4 017	1 007	6 834	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	2 358	2 610	2 610	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	2 358	2 610	2 610	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	2 358	2 610	2 610	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		19	10	26	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		19	10	26	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		19	10	26	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	116	68	150	201	201	200	–	–
Computer Equipment		–	116	68	150	201	201	200	–	–
Furniture and Office Equipment		72	123	–	–	–	–	–	–	–
Furniture and Office Equipment		72	123	–	–	–	–	–	–	–
Machinery and Equipment		6	8	113	–	–	–	–	–	–
Machinery and Equipment		6	8	113	–	–	–	–	–	–
Transport Assets		–	28	–	–	–	–	–	–	–
Transport Assets		–	28	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	8 239	6 902	19 317	4 158	34 084	34 084	8 879	8 824	9 140

Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

NC067 Khai-Ma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on reRenewalal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	23 348	-	-	-	-	-
Water Supply Infrastructure		-	-	-	14 348	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	14 348	-	-	-	-	-
Sanitation Infrastructure		-	-	-	9 000	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	9 000	-	-	-	-	-
Community Assets		39	160	2 959	-	-	-	-	-	-
Community Facilities		39	-	-	-	-	-	-	-	-
Halls		39	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	160	2 959	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	160	2 959	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on reRenewalal of existing as	1	39	160	2 959	23 348	-	-	-	-	-
ReRenewalal of Existing Assets as % of total capex		0.0%	2.3%	13.3%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%
ReRenewalal of Existing Assets as % of deprecn"		0.6%	4.5%	29.9%	776.2%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class

NC067 Khai-Ma - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		426	542	984	956	1 104	1 104	1 023	1 079	1 137
Roads Infrastructure		27	13	702	53	53	53	55	58	62
Roads		27	13	702	53	53	53	55	58	62
Electrical Infrastructure		100	130	101	272	304	304	247	260	274
MV Networks		—	—	50	108	129	129	97	102	108
LV Networks		100	130	51	164	175	175	149	157	166
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		238	324	178	526	579	579	606	638	673
Distribution		238	324	178	526	579	579	606	638	673
Distribution Points		—	—	—	—	—	—	—	—	—
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		16	26	2	53	57	57	60	64	67
Pump Station		16	26	2	53	57	57	60	64	67
Solid Waste Infrastructure		46	49	—	53	112	112	55	58	61
Landfill Sites		46	49	—	53	112	112	55	58	61
Community Assets		84	3	13	132	143	143	133	140	148
Community Facilities		84	—	2	100	111	111	100	105	111
Cemeteries/Crematoria		—	—	—	53	48	48	56	59	62
Sport and Recreation Facilities		—	3	11	32	32	32	33	35	37
Indoor Facilities		—	—	11	—	—	—	—	—	—
Outdoor Facilities		—	3	—	32	32	32	33	35	37
Capital Spares		—	—	—	—	—	—	—	—	—
		1	1	1	1	1	1			
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	106	106	106	111	117	124
Revenue Generating		—	—	—	106	106	106	111	117	124
Improved Property		—	—	—	106	106	106	111	117	124
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		56	12	282	63	—	—	69	72	76
Operational Buildings		39	8	272	53	—	—	56	59	62
Municipal Offices		39	8	272	53	—	—	56	59	62
Housing		16	4	10	11	—	—	13	13	14
Staff Housing		16	4	10	11	—	—	13	13	14
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Computer Equipment		—	123	150	316	556	556	580	611	644
Computer Equipment		—	123	150	316	556	556	580	611	644
Furniture and Office Equipment		263	7	89	45	55	55	20	21	22
Furniture and Office Equipment		263	7	89	45	55	55	20	21	22
Machinery and Equipment		19	9	—	16	5	5	21	22	23
Machinery and Equipment		19	9	—	16	5	5	21	22	23
Transport Assets		82	431	73	317	471	471	502	529	558
Transport Assets		82	431	73	317	471	471	502	529	558
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological		—	—	—	—	—	—	—	—	—
Total Repairs	1	930	1 127	1 591	1 951	2 440	2 440	2 459	2 591	2 731
R&M as a % of PPE		0.8%	1.2%	1.5%	1.2%	1.4%	1.8%	1.8%	1.8%	1.9%
R&M as % Operating Expenditure		1.7%	1.9%	2.4%	2.8%	3.5%	3.5%	3.5%	3.4%	3.4%

NC067 Khai-Ma - Supporting Table SA34d Depreciation by asset class

NC067 Khai-Ma - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Depreciation by Asset Class/Sub-class										
Infrastructure		4 761	1 988	6 865	1 736	2 238	2 238	2 238	2 238	2 238
Roads Infrastructure		533	776	911	776	776	776	776	776	776
Roads		533	776	911	776	776	776	776	776	776
Electrical Infrastructure		187	205	194	205	205	205	205	205	205
LV Networks		187	205	194	205	205	205	205	205	205
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		450	452	457	452	452	452	452	452	452
Distribution		450	452	457	452	452	452	452	452	452
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		161	161	164	161	161	161	161	161	161
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		161	161	164	161	161	161	161	161	161
Solid Waste Infrastructure		3 431	393	5 138	141	643	643	643	643	643
Landfill Sites		3 431	393	5 138	141	643	643	643	643	643
Community Assets		626	629	651	242	582	582	244	244	244
Community Facilities		397	399	465	13	353	353	15	15	15
Halls		65	388	453	-	338	338	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		321	-	-	-	-	-	-	-	-
Libraries		11	11	11	13	15	15	15	15	15
Sport and Recreation Facilities		229	229	187	229	229	229	229	229	229
Indoor Facilities		229	229	187	-	-	-	-	-	-
Outdoor Facilities		-	-	-	229	229	229	229	229	229
Capital Spares		-	-	-	-	-	-	-	-	-
Investment properties		6	6	988	6	6	6	6	6	6
Revenue Generating		6	6	988	6	6	6	6	6	6
Improved Property		6	6	988	6	6	6	6	6	6
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		19	19	1	346	1	1	26	26	26
Operational Buildings		19	19	1	346	1	1	26	26	26
Municipal Offices		19	19	1	346	1	1	26	26	26
Intangible Assets		-	34	85	1	23	23	23	23	23
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	34	85	1	23	23	23	23	23
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	34	85	1	23	23	23	23	23
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		73	124	33	46	107	107	87	87	87
Computer Equipment		73	124	33	46	107	107	87	87	87
Furniture and Office Equipment		221	223	239	82	164	164	100	100	100
Furniture and Office Equipment		221	223	239	82	164	164	100	100	100
Machinery and Equipment		98	85	357	105	255	255	256	256	256
Machinery and Equipment		98	85	357	105	255	255	256	256	256
Transport Assets		447	411	662	445	494	494	494	494	494
Transport Assets		447	411	662	445	494	494	494	494	494
Total Depreciation	1	6 251	3 519	9 881	3 008	3 871	3 871	3 474	3 474	3 474

Table 61 MBRR SA35 - Future financial implications of the capital budget

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

NC067 Khai-Ma - Supporting Table SA36 Detailed capital budget																	
R thousand															2019/20 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2017/18	Current Year 2018/19 Full Year	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Parent municipality: List all capital projects grouped by Function																	
Mayor and Council	Non-infrastructure>New>Computer Equipment	PC00200300400000000000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Good Governance	Computer Equipment	Computer Equipment	Administrative or Head Office	-	-	100	201	200	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC00200300200200200000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 1	-	-	-	870	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC00200300200200200000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 2	-	-	-	870	-	-	-	
Recreational Facilities	Non-infrastructure>New>Community Assets>Sport and Recreation Facilities>Outdoor Facilities	PC00200300200200200000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Embracing our Cultural Diversity	Sport and Recreation Facilities	Outdoor Facilities	Ward 3	-	-	7 352	870	-	-	-	
Sewerage	Infrastructure>Existing>Upgrading>Sanitation Infrastructure>Pump Station	PC00100100200500100000000000000000_000	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Sanitation Infrastructure	Pump Station	Ward 4	-	-	-	2 499	700	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC00100100200400600000000000000000_000	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Ward 4	-	-	12 825	4 096	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Reservoirs	PC00100100200400300000000000000000_000	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Reservoirs	Ward 4	-	-	-	20 000	-	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Pump Station	PC00100100200400400000000000000000_000	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Pump Station	Ward 3	-	-	-	3 028	700	-	-	
Water Distribution	Infrastructure>Existing>Upgrading>Water Supply Infrastructure>Bulk Mains	PC00100100200400600000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Water Supply Infrastructure	Bulk Mains	Whole of the Municipality	-	-	-	-	6 759	6 904	7 114	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC00100200100800000000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 1	-	-	1 000	1 650	-	-	-	
Electricity	Infrastructure>New>Electrical Infrastructure>LV Networks	PC00100200100800000000000000000000_000	New	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 4	-	-	-	-	1 920	1 920	2 026	
Roads	Infrastructure>Existing>Upgrading>Roads Infrastructure>Roads	PC00100100200600100000000000000000_000	Upgrading	09-Responsive, accountable, effective and efficient local government	04-Governance	Quality Living Environment	Roads Infrastructure	Roads	Ward 4	-	-	1 000	-	-	-	-	
Parent Capital expenditure												22 277	34 084	10 279	8 824	9 140	

Table 63 MBRR SA37 - Projects delayed from previous financial year

NC067 Khai-Ma - Supporting Table SA37 Projects delayed from previous financial year/s																		
R thousand													Previous	Current Year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	target year to complete	Original Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
Parent municipality: List all capital projects grouped by Function																		
Sewerage	Infrastructure>Existing>Upgrading>Sanitation Infrastructure>Pump Station	PC001001002005001000000000000000 00000_00072	Upgrading	09-Responsive, accountable, effective and efficient local	04-Govern	Quality Living Environment	Sanitation Infrastructure	Pump Station	Ward 4				2 499	2 499	700	-	-	
	Infrastructure>Existing>Upgrading>Water Supply	PC001001002004004000000000000000 00000_00074	Upgrading	09-Responsive, accountable, effective and efficient local	04-Govern	Quality Living Environment	Water Supply Infrastructure	Pump Station	Ward 3				3 028	3 028	700	-	-	
Water Distribution	Infrastructure>Pump Infrastructure>New>Electrical Infrastructure>LV Networks	PC001002001008000000000000000000 00000_00069	New	09-Responsive, accountable, effective and efficient local	04-Govern	Quality Living Environment	Electrical Infrastructure	LV Networks	Ward 1				1 650	1 650	1 200	-	-	
Electricity																		

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance of the municipality.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
The Khâi-MA Municipality established its own Audit Committee.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at this stage a draft and after approval of the 2019/20 MTREF in May 2019 directly aligned and informed by the 2019/20 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1197 of 28 May 2008. The ratios as prescribed in the Regulations have been complied with.

3.14 Other supporting documents

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

NC067 Khai-Ma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		13 931	15 673	17 432	18 114	18 230	18 230	18 230	18 930	19 952	21 029
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		10 727	11 595	12 379	13 048	12 960	12 960	12 960	10 694	11 271	11 880
Net Property Rates		3 204	4 078	5 053	5 066	5 270	5 270	5 270	8 236	8 680	9 149
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		7 609	7 788	14 709	16 688	16 232	16 232	16 232	17 254	18 186	19 168
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		469	538	568	580	600	600	600	464	489	515
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	6 609	7 092	7 092	7 092	7 092	7 461	7 864	8 289
Net Service charges - electricity revenue		7 139	7 250	7 532	9 016	8 540	8 540	8 540	9 329	9 833	10 364
Service charges - water revenue	6										
Total Service charges - water revenue		10 344	10 330	18 251	19 126	18 314	18 314	18 314	18 669	19 677	20 740
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		3 242	3 499	4 462	4 763	4 218	4 218	4 218	4 054	4 273	4 504
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	7 387	7 778	7 778	7 778	7 778	8 183	8 625	9 091
Net Service charges - water revenue		7 103	6 831	6 403	6 584	6 317	6 317	6 317	6 432	6 779	7 145
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		3 046	3 161	5 606	5 816	5 959	5 959	5 959	6 315	6 656	7 015
less Revenue Foregone (in excess of free sanitation service to indigent households)		1 924	2 108	2 363	2 717	2 594	2 594	2 594	2 774	2 924	3 082
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	1 953	2 056	2 056	2 056	2 056	2 163	2 280	2 403
Net Service charges - sanitation revenue		1 122	1 053	1 291	1 043	1 309	1 309	1 309	1 377	1 452	1 530
Service charges - refuse revenue	6										
Total refuse removal revenue		2 870	3 175	6 689	7 039	7 139	7 139	7 139	7 477	7 880	8 306
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone (in excess of one removal a week to indigent households)		2 006	2 223	2 484	2 673	2 673	2 673	2 673	2 789	2 939	3 098
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	3 110	3 275	3 275	3 275	3 275	3 446	3 632	3 828
Net Service charges - refuse revenue		864	953	1 094	1 091	1 191	1 191	1 191	1 242	1 310	1 380
Other Revenue by source	1										
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		631	2 892	5 227	16	16	16	16	17	18	19
Sales of Goods and Rendering of Services		39	71	12	10	13	13	13	14	15	15
Surcharges		15	18	–	–	–	–	–	–	–	–
Total 'Other' Revenue		684	2 980	5 239	27	30	30	30	31	33	34

EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	10 467	14 201	12 907	18 810	17 954	17 954	17 954	20 290	21 639	23 078
Pension and UIF Contributions		1 099	1 458	2 250	2 591	2 559	2 559	2 559	3 198	3 411	3 637
Medical Aid Contributions		220	276	974	1 615	1 076	1 076	1 076	2 047	2 183	2 328
Overtime		682	986	1 613	1 684	2 010	2 010	2 010	2 641	2 816	3 003
Performance Bonus		544	748	1 013	1 184	1 184	1 184	1 184	1 413	1 507	1 607
Motor Vehicle Allowance		299	303	328	320	290	290	290	578	616	657
Cellphone Allowance		237	292	36	36	32	32	32	35	37	40
Housing Allowances		19	60	80	82	84	84	84	92	98	104
Other benefits and allowances		–	–	626	719	654	654	654	687	732	781
Payments in lieu of leave		401	660	178	167	167	167	167	179	190	203
Long service awards		61	66	76	82	45	45	45	138	147	157
Post-retirement benefit obligations	4	389	249	785	834	937	937	937	980	1 093	983
sub-total	5	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Less: Employees costs capitalised to PPE											
		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	14 420	19 300	20 868	28 125	26 994	26 994	26 994	32 274	34 468	36 578
Contributions recognised - capital											
List contributions by contract		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		6 251	3 401	9 856	2 997	3 859	3 859	3 859	3 462	3 462	3 462
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	118	25	11	11	11	11	11	11	11
Depreciation resulting from revaluation of PPE		–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	10	6 251	3 519	9 881	3 008	3 871	3 871	3 871	3 474	3 474	3 474
Bulk purchases											
Electricity Bulk Purchases		7 441	7 100	7 942	8 158	8 558	8 558	8 558	9 375	10 134	10 663
Water Bulk Purchases		2 888	3 730	4 453	5 100	5 100	5 100	5 100	4 900	5 390	5 929
Total Bulk purchases	1	10 329	10 830	12 394	13 258	13 658	13 658	13 658	14 275	15 524	16 592
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	–	–	–	–	–	–	–
Contracted services											
Consultants and Professional Services		729	1 287	1 364	1 658	1 480	1 480	1 480	1 124	1 185	1 249
Contractors		2 068	1 375	189	1 242	2 065	2 065	2 065	2 080	2 192	2 310
Outsourced Services		297	368	484	1 352	1 352	1 352	1 352	370	390	411
sub-total	1	3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Allocations to organs of state:											
Electricity		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total contracted services		3 094	3 030	2 037	4 252	4 898	4 898	4 898	3 574	3 767	3 970
Other Expenditure By Type											
Collection costs		–	–	–	–	–	–	–	–	–	–
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Consultant fees		–	–	–	–	–	–	–	–	–	–
Audit fees		1 951	2 128	2 494	1 832	1 832	1 832	1 832	1 929	2 033	2 143
General expenses		–	–	314	336	376	376	376	435	458	483
Departmental Recoveries/Vehicles		–	–	–	(1 935)	–	–	–	–	–	–
Printing, Publications and Books		–	–	56	57	76	76	76	81	86	90
Entertainment		24	26	28	39	48	48	48	44	47	49
Insurance		326	246	238	268	347	347	347	380	400	422
Skills Development Fund Levy		126	146	215	213	226	226	226	241	253	267
Ward Committees		116	146	150	240	240	240	240	240	253	267
Advertising, Publicity and Marketing		50	17	91	86	114	114	114	86	91	96
Travel and Subsistence		1 272	1 266	1 358	1 607	1 791	1 791	1 791	1 935	2 039	2 149
Registration Fees		–	–	–	–	–	–	–	–	–	–
Communication		348	355	488	510	662	662	662	697	735	774
Inventory Consumed		781	853	–	–	–	–	–	–	–	–
Bank Charges		175	224	265	265	265	265	265	280	295	311
Professional Bodies, Membership and Subscription		530	537	536	551	551	551	551	552	581	613
Wet Fuel		579	504	690	720	640	640	640	670	706	744
Licences		–	–	105	115	115	115	115	121	128	134
Levies Paid		–	–	110	116	116	116	116	122	129	136
Commission		368	385	363	380	403	403	403	425	448	472
Uniform and Protective Clothing		37	60	–	–	–	–	–	–	–	–
Workmen's Compensation Fund		77	121	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	6 759	7 013	7 502	5 400	7 799	7 799	7 799	8 237	8 681	9 150
Repairs and Maintenance											
Employee related costs	8	–	–	–	–	–	–	–	–	–	–
Other materials		63	430	938	596	542	542	542	561	591	623
Contracted Services		867	679	654	1 354	1 897	1 897	1 897	1 898	2 000	2 108
Other Expenditure		–	17	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	930	1 127	1 591	1 951	2 440	2 440	2 440	2 459	2 591	2 731

Table 65 MBRRTable SA2 – Matrix financial performance budget

NC067 Khai-Ma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)							
Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Finance	Vote 3 - Corporate Services	Vote 4 - Infrastructure Development	Vote 5 - Economic Development	Total
R thousand	1						
Revenue By Source							
Property rates		-	8 236	-	-	-	8 236
Service charges - electricity revenue		-	-	(121)	9 450	-	9 329
Service charges - water revenue		-	-	(72)	6 503	-	6 432
Service charges - sanitation revenue		-	-	(18)	1 395	-	1 377
Service charges - refuse revenue		-	-	(21)	1 263	-	1 242
Rental of facilities and equipment		-	195	-	-	-	195
Interest earned - external investments		-	-	200	-	-	200
Interest earned - outstanding debtors		-	370	-	3 511	-	3 881
Dividends received		-	-	-	-	-	-
Fines, penalties and forfeits		-	82	-	-	-	82
Licences and permits		-	85	-	-	-	85
Agency services		-	-	-	-	-	-
Other revenue		-	7	18	6	-	31
Transfers and subsidies		18 953	2 435	708	2 014	-	24 110
Gains on disposal of PPE		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		18 953	11 410	695	24 143	-	55 200
Expenditure By Type							
Employee related costs		4 145	4 761	11 289	11 100	979	32 274
Remuneration of councillors		3 110	-	-	-	-	3 110
Debt impairment		-	1 686	-	3 686	-	5 373
Depreciation & asset impairment		210	16	667	2 580	-	3 474
Finance charges		-	70	51	2 006	-	2 126
Bulk purchases		-	508	-	13 767	-	14 275
Other materials		56	63	429	3 280	-	3 829
Contracted services		178	1 443	1 155	713	84	3 574
Transfers and subsidies		-	-	-	-	-	-
Other expenditure		1 401	1 387	(303)	5 552	200	8 237
Loss on disposal of PPE		-	-	-	-	-	-
Total Expenditure		9 100	9 934	13 289	42 685	1 263	76 271
Surplus/(Deficit)		9 853	1 475	(12 594)	(18 542)	(1 263)	(21 071)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	10 079	-	10 079
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		9 853	1 475	(12 594)	(8 463)	(1 263)	(10 992)

Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC067 Khai-Ma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits	2	–	–	–	400	400	400	400	400	400	400
Other current investments		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits		–	–	–	400	400	400	400	400	400	400
<u>Consumer debtors</u>											
Consumer debtors	2	38 005	33 134	34 030	46 687	41 687	50 095	50 095	56 281	64 866	67 731
Less: Provision for debt impairment		(36 560)	(31 367)	(31 367)	(35 350)	(39 350)	(48 055)	(48 055)	(53 428)	(59 031)	(64 877)
Total Consumer debtors		1 445	1 767	2 663	11 337	2 337	2 040	2 040	2 853	5 835	2 853
<u>Debt impairment provision</u>											
Balance at the beginning of the year		28 279	36 560	39 654	31 367	39 648	48 055	48 055	48 055	53 428	59 031
Contributions to the provision		8 286	(5 193)	(8 287)	3 983	–	–	–	5 373	5 603	5 846
Bad debts written off		(5)	–	–	–	–	–	–	–	–	–
Balance at end of year		36 560	31 367	31 367	35 350	39 648	48 055	48 055	53 428	59 031	64 877
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)	3	137 383	119 876	136 322	196 844	208 422	174 271	174 271	204 441	213 266	222 405
Leases recognised as PPE		–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		25 836	29 055	31 987	34 988	35 851	35 851	35 851	63 055	66 500	69 945
Total Property, plant and equipment (PPE)	2	111 547	90 821	104 335	161 855	172 571	138 420	138 420	141 386	146 766	152 461
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		–	121	134	–	–	–	–	–	–	–
Total Current liabilities - Borrowing		–	121	134	–	–	–	–	–	–	–
<u>Trade and other payables</u>											
Trade Payables	5	20 655	31 118	32 238	24 149	2 413	2 413	2 413	14 597	14 328	15 767
Other creditors		–	–	–	–	–	–	–	–	–	–
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–
Total Trade and other payables	2	20 655	31 118	32 238	24 149	2 413	2 413	2 413	14 597	14 328	15 767
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	–	–	–	–	–	–	–	11 500	11 500	11 500
Finance leases (including PPP asset element)		–	29	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		–	29	–	–	–	–	–	11 500	11 500	11 500
<u>Provisions - non-current</u>											
Retirement benefits		5 493	6 026	7 208	8 095	8 029	8 029	8 029	7 814	8 858	9 810
List other major provision items		–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		3 287	4 276	5 985	10 642	10 642	10 642	10 642	13 022	13 748	14 496
Other		–	–	–	–	–	–	–	–	–	–
Total Provisions - non-current		8 779	10 303	13 192	18 737	18 671	18 671	18 671	20 835	22 606	24 306
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance	1	61 758	53 567	30 913	97 667	87 667	87 667	87 667	66 196	55 392	42 324
GRAP adjustments		(381)	(17 682)	(38)	–	–	(34 448)	(34 448)	–	–	–
Restated balance		61 377	35 885	30 875	97 667	87 667	53 218	53 218	66 196	55 392	42 324
Surplus/(Deficit)		(8 058)	(4 973)	782	5 877	12 753	12 753	12 753	(10 992)	(13 255)	(13 822)
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		248	–	225	225	225	225	225	188	188	188
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)		53 567	30 913	31 883	103 769	100 645	66 196	66 196	55 392	42 324	28 690
<u>Reserves</u>											
Housing Development Fund		16	16	16	16	16	16	16	16	16	16
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		29 835	28 362	28 175	28 137	28 137	28 137	28 137	27 949	27 761	27 574
Total Reserves	2	29 852	28 378	28 191	28 153	28 153	28 153	27 965	27 778	27 590	
TOTAL COMMUNITY WEALTH/EQUITY	2	83 418	59 291	60 073	131 922	128 798	94 349	94 349	83 357	70 102	56 280

Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NC067 Khai-Ma - Table A10 Basic service delivery measurement										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets										
Water:										
Piped water inside dwelling	1	84	70	1 282	1 332	1 332	1 332	1 502	1 502	1 502
Piped water inside yard (but not in dwelling)		130	120	1 400	1 520	1 520	1 520	1 550	1 550	1 550
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		214	190	2 682	2 852	2 852	2 852	3 052	3 052	3 052
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	214	190	2 682	2 852	2 852	2 852	3 052	3 052	3 052
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		84	70	1 356	1 456	1 456	1 456	1 525	1 525	1 525
Flush toilet (with septic tank)		130	120	160	190	190	190	215	215	215
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	450	450	450	450	450	450	450
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		214	190	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	214	190	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Energy:										
Electricity (at least min.service level)		–	–	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Electricity - prepaid (min.service level)		231	120	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		231	120	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	231	120	1 966	2 096	2 096	2 096	2 190	2 190	2 190
Refuse:										
Removed at least once a week		2 194	2 300	2 045	2 096	–	–	2 190	–	–
Minimum Service Level and Above sub-total		2 194	2 300	2 045	2 096	–	–	2 190	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	2 194	2 300	2 045	2 096	–	–	2 190	–	–
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)	8	–	–	7 387	7 778	7 778	7 778	8 183	8 625	9 091
Sanitation (free sanitation service to indigent households)		–	–	1 953	2 056	2 056	2 056	2 163	2 280	2 403
Electricity/other energy (50kwh per indigent household per month)		–	–	6 609	7 092	7 092	7 092	7 461	7 864	8 289
Refuse (removed once a week for indigent households)		–	–	3 110	3 275	3 275	3 275	3 446	3 632	3 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		–	–	19 059	20 202	20 202	20 202	21 253	22 400	23 610
Highest level of free service provided per household										
Property rates (R value threshold)		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		97	–	123	130	130	130	139	146	154
Electricity (kwh per household per month)		92	–	50	50	50	50	50	50	50
Refuse (average litres per week)		5	–	116	123	123	123	25	25	25
Revenue cost of subsidised services provided (R'000)										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	9	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		10 727	11 595	12 379	13 048	12 960	12 960	10 694	11 271	11 880
Water (in excess of 6 kilolitres per indigent household per month)		3 242	3 499	4 462	4 763	4 218	4 218	4 054	4 273	4 504
Sanitation (in excess of free sanitation service to indigent households)		1 924	2 108	2 363	2 717	2 594	2 594	2 774	2 924	3 082
Electricity/other energy (in excess of 50 kwh per indigent household per month)		469	538	568	580	600	600	464	489	515
Refuse (in excess of one removal a week for indigent households)		2 006	2 223	2 484	2 673	2 673	2 673	2 789	2 939	3 098
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other	6	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		18 368	19 962	22 255	23 782	23 045	23 045	20 775	21 897	23 080

Table 68 MBRR SA32 – List of external mechanisms

NC067 Khai-Ma - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
SEDIBENG	Yrs	ONGOING	WATER	ONGOING	
PAYDAY	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	
BUSINESS CONNEXIONS	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	
CONTOUR	Yrs	ONGOING	MAINTENANCE AGREEMENT	ONGOING	

Enquires: P.J. van der Merwe

Datum:

Date : 30/05/2019

QUALITY CERTIFICATE

FINAL BUDGET 2019/20

I, O.J. Isaacs, Municipal Manager of Khâi-MA Municipality, hereby certify that the annual budget and supporting documents have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the Annual budget and supporting documents are consistent with the Intergrated Development Plan of the Municipality.



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O.J. Isaacs

Municipal Manager of Khâi-MA Municipality NC067